

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2893**

1 On page 1 of the printed bill, line 2, delete “757.300 and”.

2 In line 3, delete “757.375; repealing ORS”.

3 Delete lines 5 through 29 and delete pages 2 through 5 and insert:

4 **“SECTION 1.** ORS 757.365 is amended to read:

5 “757.365. (1) The Public Utility Commission shall establish a pilot pro-  
6 gram for each electric company to demonstrate the use and effectiveness of  
7 volumetric incentive rates and payments for electricity or for the nonenergy  
8 attributes of electricity, or both, from solar photovoltaic energy systems that  
9 are permanently installed in this state by retail electricity consumers and  
10 that first become operational after the program begins. The cumulative  
11 nameplate capacity of the qualifying systems enrolled in all of the pilot  
12 programs may not exceed [25] **27.5** megawatts of alternating current. Quali-  
13 fying systems enrolled in the pilot program may not have nameplate gener-  
14 ating capacity greater than 500 kilowatts.

15 “(2) The commission by rule shall adopt requirements for the pilot pro-  
16 grams described in subsection (1) of this section. Each electric company shall  
17 file for commission approval tariff schedules for the pilot programs that  
18 conform to the requirements.

19 “(3) The commission may establish incentive rates for the pilot programs  
20 to enable the development of the most efficient solar photovoltaic energy  
21 systems.

22 “(4) A retail electricity consumer participating in a pilot program may

1 receive payments based on electricity generated from solar photovoltaic en-  
2 ergy system output for 15 years from the consumer's date of enrollment in  
3 the program, at rates or through a rate formula in a tariff schedule estab-  
4 lished at the time of enrollment, or at rates otherwise established at the time  
5 of enrollment. The consumer thereafter may receive payments based upon  
6 electricity generated from the qualifying system at a rate equal to the re-  
7 source value.

8 “(5) The commission may adjust the tariff schedule as needed for new pi-  
9 lot program participants for the purpose of meeting the goal established in  
10 subsection (1) of this section. Once a retail electricity consumer is enrolled  
11 in a program, the rates or rate formula for determining payments to the  
12 consumer may not be modified.

13 “(6) [*The commission shall establish pilot programs designed to attain a*  
14 *goal of 75 percent of the capacity under each program to be deployed by resi-*  
15 *dential qualifying systems and small commercial qualifying systems.*] The  
16 commission [*by rule*] may **adopt and** adjust [*the*] **a** percentage goal for ca-  
17 pacity deployed by residential and small commercial qualifying systems based  
18 upon the costs of the energy generated, the feasibility of attaining the goal  
19 and other factors.

20 “(7) The commission may establish total generator nameplate capacity  
21 limits for an electric company so that the rate impact of the pilot program  
22 for any customer class does not exceed 0.25 percent of the electric company's  
23 revenue requirement for the class in any year.

24 “(8) Ownership of renewable energy certificates established under ORS  
25 469A.130 that are associated with renewable energy generation under the  
26 pilot programs must be transferred to the electric company and may be used  
27 to comply with the renewable portfolio standard described in ORS 469A.052  
28 or 469A.055.

29 “(9) To the extent that rates paid under a pilot program exceed the re-  
30 source value, qualifying systems participating in the pilot programs are not

1 eligible for expenditures under ORS 757.612 (3)(b)(B) or tax credits under  
2 ORS 469B.100 to 469B.118 or 469B.130 to 469B.169.

3 “(10) All prudently incurred costs associated with compliance with this  
4 section are recoverable in the rates of an electric company.

5 “(11) The commission shall advise and assist the owners and operators of  
6 qualifying systems in identifying and using grants, incentive moneys, federal  
7 funding and other sources of noninvestment financial support for the con-  
8 struction and operation of qualifying systems.

9 “(12) The pilot programs described in subsection (1) of this section close  
10 to new participants on the earlier of:

11 “(a) March 31, [2015] **2016**; or

12 “(b) The date the cumulative nameplate capacity of solar photovoltaic  
13 energy systems that have been permanently installed by retail electricity  
14 consumers under the pilot programs equals [25] **27.5** megawatts of alternating  
15 current.

16 “(13) The commission shall submit a report to the Legislative Assembly  
17 by January 1 of each odd-numbered year. The report must evaluate the ef-  
18 fectiveness of the pilot programs described in subsection (1) of this section  
19 compared to the effectiveness of expenditures under ORS 757.612 (3)(b)(B) or  
20 tax credits under ORS 469B.100 to 469B.118 or 469B.130 to 469B.169 for pro-  
21 moting the use of solar photovoltaic energy systems and reducing system  
22 costs. The report must also evaluate the estimated cost of the program to  
23 retail electricity consumers.

24 **“SECTION 2. The amendments to ORS 757.365 by section 3 of this**  
25 **2013 Act become operative on March 31, 2014.**

26 **“SECTION 3.** ORS 757.365, as amended by section 1 of this 2013 Act, is  
27 amended to read:

28 “757.365. (1) The Public Utility Commission shall establish a pilot pro-  
29 gram for each electric company to demonstrate the use and effectiveness of  
30 volumetric incentive rates and payments for electricity or for the nonenergy

1 attributes of electricity, or both, from solar photovoltaic energy systems that  
2 are permanently installed in this state by retail electricity consumers and  
3 that first become operational after the program begins. The cumulative  
4 nameplate capacity of the qualifying systems enrolled in all of the pilot  
5 programs may not exceed 27.5 megawatts of alternating current. Qualifying  
6 systems enrolled in the pilot program may not have nameplate generating  
7 capacity greater than 500 kilowatts.

8 “(2) The commission by rule shall adopt requirements for the pilot pro-  
9 grams described in subsection (1) of this section. Each electric company shall  
10 file for commission approval tariff schedules for the pilot programs that  
11 conform to the requirements.

12 “(3) The commission may establish incentive rates for the pilot programs  
13 to enable the development of the most efficient solar photovoltaic energy  
14 systems.

15 “(4) A retail electricity consumer participating in a pilot program may  
16 receive payments based on electricity generated from solar photovoltaic en-  
17 ergy system output for 15 years from the consumer’s date of enrollment in  
18 the program, at rates or through a rate formula in a tariff schedule estab-  
19 lished at the time of enrollment, or at rates otherwise established at the time  
20 of enrollment. The consumer thereafter may receive payments based upon  
21 electricity generated from the qualifying system at a rate equal to the re-  
22 source value.

23 “(5) The commission may adjust the tariff schedule as needed for new pi-  
24 lot program participants for the purpose of meeting the goal established in  
25 subsection (1) of this section. Once a retail electricity consumer is enrolled  
26 in a program, the rates or rate formula for determining payments to the  
27 consumer may not be modified.

28 “(6) The commission may adopt and adjust a percentage goal for capacity  
29 deployed by residential and small commercial qualifying systems based upon  
30 the costs of the energy generated, the feasibility of attaining the goal and

1 other factors. **For purposes of attaining the goal described in this sub-**  
2 **section, the commission shall require 2.5 megawatts of alternating**  
3 **current from the cumulative nameplate capacity of qualifying systems**  
4 **to be generated by individual systems with a nameplate generating**  
5 **capacity between five and 100 kilowatts.**

6 “(7) The commission may establish total generator nameplate capacity  
7 limits for an electric company so that the rate impact of the pilot program  
8 for any customer class does not exceed 0.25 percent of the electric company’s  
9 revenue requirement for the class in any year.

10 “(8) Ownership of renewable energy certificates established under ORS  
11 469A.130 that are associated with renewable energy generation under the  
12 pilot programs must be transferred to the electric company and may be used  
13 to comply with the renewable portfolio standard described in ORS 469A.052  
14 or 469A.055.

15 “(9) To the extent that rates paid under a pilot program exceed the re-  
16 source value, qualifying systems participating in the pilot programs are not  
17 eligible for expenditures under ORS 757.612 (3)(b)(B) or tax credits under  
18 ORS 469B.100 to 469B.118 or 469B.130 to 469B.169.

19 “(10) All prudently incurred costs associated with compliance with this  
20 section are recoverable in the rates of an electric company.

21 “(11) The commission shall advise and assist the owners and operators of  
22 qualifying systems in identifying and using grants, incentive moneys, federal  
23 funding and other sources of noninvestment financial support for the con-  
24 struction and operation of qualifying systems.

25 “(12) The pilot programs described in subsection (1) of this section close  
26 to new participants on the earlier of:

27 “(a) March 31, 2016; or

28 “(b) The date the cumulative nameplate capacity of solar photovoltaic  
29 energy systems that have been permanently installed by retail electricity  
30 consumers under the pilot programs equals 27.5 megawatts of alternating

1 current.

2 “(13) The commission shall submit a report to the Legislative Assembly  
3 by January 1 of each odd-numbered year. The report must evaluate the ef-  
4 fectiveness of the pilot programs described in subsection (1) of this section  
5 compared to the effectiveness of expenditures under ORS 757.612 (3)(b)(B) or  
6 tax credits under ORS 469B.100 to 469B.118 or 469B.130 to 469B.169 for pro-  
7 moting the use of solar photovoltaic energy systems and reducing system  
8 costs. The report must also [*evaluate the estimated*] **estimate the** cost of the  
9 program to retail electricity consumers **and the resource value of solar**  
10 **energy.**

11 **“SECTION 4. (1) The Public Utility Commission shall study the ef-**  
12 **fectiveness of programs that provide incentives for the use of solar**  
13 **photovoltaic energy systems. As part of the study, the commission**  
14 **shall:**

15 **“(a) Investigate the resource value of solar energy;**

16 **“(b) Investigate the costs and benefits of the programs for retail**  
17 **electricity consumers and how those costs and benefits are distributed**  
18 **among retail electricity consumers;**

19 **“(c) Forecast the costs associated with solar photovoltaic energy**  
20 **systems located in Oregon;**

21 **“(d) Identify barriers within the programs to providing incentives**  
22 **for the development of solar photovoltaic energy systems; and**

23 **“(e) Make recommendations for modifying the programs or estab-**  
24 **lishing new programs for the purpose of providing incentives for the**  
25 **development of solar photovoltaic energy systems in a manner that is**  
26 **cost effective and protects ratepayers, including ratepayers that do not**  
27 **participate in the programs.**

28 **“(2) The commission shall consult with the State Department of**  
29 **Energy in conducting the study described in subsection (1) of this**  
30 **section.**

1       **“(3) On or before July 1, 2014, the commission shall report on the**  
2 **results of the study, and may include recommendations for legislation,**  
3 **to the interim committees of the Legislative Assembly related to en-**  
4 **ergy.**

5       **“SECTION 5. Section 4 of this 2013 Act is repealed on January 2,**  
6 **2015.**

7       **“SECTION 6. This 2013 Act being necessary for the immediate**  
8 **preservation of the public peace, health and safety, an emergency is**  
9 **declared to exist, and this 2013 Act takes effect on its passage.”.**

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