

HB 2064 STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

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Meeting Dates: 2/6

WHAT THE MEASURE DOES:

The measure requires the Oregon Public Utility Commission and Oregon Department of Consumer and Business Services to take certain actions related to microgrids. It permits local governments to take certain actions to prepare for and encourage microgrid development.

Detailed summary:

Sections 1 – 2

Defines terms.

Requires the Oregon Public Utility Commission (OPUC) to:

- 1) Investigate and create a standard for reasonable shared costs for community energy resilience that is provided by a microgrid. Requires the standards to allow for owners or operators of a microgrid to recover the costs for designing, constructing, and maintaining the microgrid from customers who use: the microgrid; the distribution system located within a microgrid zone within which the microgrid is located; or the distribution system local to the microgrid.
- 2) Allow for redundant infrastructure that supports community microgrids.
- 3) Approve a community microgrid if the community microgrid enhances local energy resilience and is capable of supporting critical infrastructure during and after an emergency, natural disaster, or disruption to the electric grid or energy supply.
- 4) Allow a microgrid operator to operate one or more microgrids independently from the electric grid system and direct the microgrid's front-of-meter energy resources during and after an emergency to provide energy resilience services to the customers within the electrical boundaries of the microgrid.

Sections 3 – 4

Defines terms.

Requires the Oregon Department of Consumer and Business Services (DCBS) to adopt rules to the state building code that support the integration of buildings with community microgrids.

Sections 5 – 6

Defines terms.

Permits local governments to:

- 1.) Adopt land use regulations that correspond to microgrid zones to encourage development that is compatible with microgrids and community microgrids.
- 2.) Designate a geographical area based on existing electric service infrastructure located within the jurisdiction of the local government as a microgrid zone, subject to the approval of the OPUC.

3.) Enter into an intergovernmental agreement with one or more local governments to designate a geographical area based on existing electric service infrastructure located within and across the jurisdictions of the local governments as a microgrid zone, subject to the approval of OPUC.

Section 7

Takes effect on the 91st day following adjournment sine die.

- *FISCAL: May have fiscal impact, but no statement issued yet*
- *REVENUE: May have revenue impact, but no statement issued yet*

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Public Utility Commission (PUC) regulates investor-owned electric and natural gas utilities providing service to ensure they offer safe and reliable energy at reasonable rates. Oregon law allows the OPUC to approve a rate if the government enacts or adopts an ordinance, charter provision, resolution, or other regulation requiring that retail electricity consumers within the boundaries of the government must be served with resources such as energy from community-based resources, including microgrids, among others, that provide community co-benefits (Oregon Revised Statute 757.603).

According to the U.S. Department of Energy's Grid Deployment Office, microgrids can be comprised of various electricity-generation sources, including fossil- or renewable-based sources; can include battery energy storage of various sizes; and have control systems that allow them to be disconnected and reconnected to the main grid as needed.