



Legislative Fiscal Office  
 83<sup>rd</sup> Oregon Legislative Assembly  
 2025 Regular Session

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**Bill Title:** Relating to distributed power plants; prescribing an effective date.

**Government Unit(s) Affected:** Department of Energy, Public Utility Commission, Special Districts

**Summary of Fiscal Impact**

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Public Utility Commission	\$ -	\$ -	\$ 993,015	\$ -	\$ 993,015	3	2.63
<b>Total Fiscal Impact</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 993,015</b>	<b>\$ -</b>	<b>\$ 993,015</b>	<b>3</b>	<b>2.63</b>
2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Public Utility Commission	\$ -	\$ -	\$ 839,946	\$ -	\$ 839,946	3	3.00
<b>Total Fiscal Impact</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 839,946</b>	<b>\$ -</b>	<b>\$ 839,946</b>	<b>3</b>	<b>3.00</b>

**Measure Description**

The measure requires electric companies to develop and submit distributed power plant programs to the Public Utility Commission (PUC) for approval. These programs must compensate customers—either directly or through third-party aggregators—for providing grid services using behind-the-meter energy technologies. PUC must allow for public input and may approve, modify, or deny submitted programs. Upfront and performance-based payments are required, and PUC may authorize a reasonable rate of return on these payments.

The measure also directs PUC and electric companies to coordinate with the Oregon Department of Energy (ODOE) and other state agencies to pursue federal funding for upfront payments. PUC must establish five-year procurement targets and offer financial incentives or penalties based on utility performance. Electric companies must report annually on program participation and results. Initial programs must focus on system-wide peak load reduction, with additional technologies added within one year of initial approval.

**Fiscal Analysis**

The estimated fiscal impact of this measure is \$993,015 Other Funds and three positions (2.63 FTE) in the 2025-27 biennium, and \$839,946 Other Funds and three positions (3.00 FTE) in the 2027-29 biennium.

Public Utility Commission

The measure requires PUC to review and approve electric companies’ distributed power plant programs, including initial filings, amendments, and annual updates. PUC must establish five-year procurement targets and associated performance incentives, conduct public processes to set those targets, and review utility filings on participation, performance, and compensation. The measure also directs PUC to work with ODOE to pursue federal funding and requires PUC to respond within specific timelines when new grid services are added. These responsibilities will require ongoing staff time, stakeholder coordination, and legal and technical support.

The estimated fiscal impact of this measure to PUC is \$993,015 Other Funds and three positions (2.63 FTE) in the 2025-27 biennium, and \$839,946 Other Funds and three positions (3.00 FTE) in the 2027-29 biennium. Positions include two permanent full-time Utility and Energy Analyst 3 positions and one permanent full-time Utility and Energy Analyst 2 position. The estimated cost of these positions is \$721,166 for personal services and \$21,849 for services and supplies in 2025-27, and \$824,187 for personal services and \$15,759 for services and supplies in 2027-29.

In addition, PUC estimates one-time costs of \$100,000 for Attorney General legal services and \$150,000 for other professional services in the 2025-27 biennium to support legal review and technical startup work associated with program implementation. All costs are supported by the PUC's existing assessment on the annual revenues of regulated electric, gas, telecommunications, and water/wastewater utilities and are reflected as Other Funds limitation.

#### Department of Energy

The measure is anticipated to have minimal impact on the Oregon Department of Energy.

#### Special Districts

The Legislative Fiscal Office (LFO) notes that this measure may have a fiscal impact on special districts. LFO has requested, but not yet received, fiscal impact information. Therefore, the fiscal impact on special districts is currently indeterminate. If fiscal information is provided, LFO will issue a revised fiscal impact statement.

#### **Relevant Dates**

An electric company must submit its proposed distributed energy resources program to PUC within 120 days of the measure's effective date.

Within 270 days of the effective date of the measure, PUC must develop and adopt annual procurement targets and performance incentives.

The measure takes effect on the 91st day after sine die.