

SB 92 -2, -4 STAFF MEASURE SUMMARY

Senate Committee On Energy and Environment

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Meeting Dates: 2/26, 4/7

WHAT THE MEASURE DOES:

Allows a community solar project to be located outside the service territory of the subscribers electric company and limits the nameplate capacity to five megawatts or less. Requires Public Utility Commission (PUC), after a public hearing, to adopt a schedule establishing penalties that may be imposed on an electric company for unreasonably delaying the interconnection process for a community solar project and the time allowed to correct the delay. Requires the PUC to establish caps on the total generating capacity of community solar projects for which an electric company is required to allow to participate in its service territory by the following amounts:

- For the calendar year 2026, no less than 4.5 percent of the electric company's system peak in the calendar year 2016.
- For the calendar year 2027, no less than 6.5 percent of the electric company's system peak in the calendar year 2016.
- For the calendar year 2028, no less than 8.5 percent of the electric company's system peak in the calendar year 2016.
- For the calendar year 2029, no less than 10.5 percent of the electric company's system peak in the calendar year 2016.
- For the calendar year 2030, no less than 12.5 percent of the electric company's system peak in the calendar year 2016.
- For the calendar year 2031 and subsequent calendar years, no less than 14.5 percent of the electric company's system peak in the calendar year 2016.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 The measure modifies requirements for an electric company to procure electricity from community solar projects (project) including provisions to include battery energy storage, location of projects in relation to service territory, interconnection processes, generating capacity, and carve-out projects for certain subscriber types.

Detailed Summary:

Replaces measure. Requires a program established by the Public Utility Commission (PUC) for the procurement of electricity from community solar projects (project) to:

- allow a subscriber to subscribe to projects without limit to the total amount of aggregate capacity across projects or electric companies that the subscriber leases; and
- provide for compensation to project managers for battery energy storage that is sufficient to finance distributed energy storage.

Allows a project to be located outside the service territory of the subscriber's electric company. Provides that the project may have a nameplate capacity of up to 20 megawatts and may include and utilize battery energy storage systems. Requires PUC to require electric companies to:

- Allow a project to apply through electric company's dedicated interconnection queue only if the projects meets certain capacity limits and authorizes PUC to adjust threshold percentage if found it will improve interconnection process and decrease interconnection queue wait time.
- Allow project with less than two megawatts nameplate capacity to use net metering interconnection process;

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- Provide expedited interconnection process for projects that include battery energy storage systems; and
- Allow project manager to hire third-party contractor to build interconnection upgrades, in consultation with electric company.

Requires PUC to adopt schedule establishing penalties that may be imposed on an electric company for unreasonably delaying the interconnection process for a project and the time allowed for correction. Requires PUC to establish the following caps on the total generating capacity of projects that an electric company is required to allow to participate in electric companies service territory:

- For the calendar year 2026, no less than 4.5 percent of the electric company's system peak in the calendar year 2016.
- For the calendar year 2027, no less than 6.5 percent of the electric company's system peak in the calendar year 2016.
- For the calendar year 2028, no less than 8.5 percent of the electric company's system peak in the calendar year 2016.
- For the calendar year 2029, no less than 10.5 percent of the electric company's system peak in the calendar year 2016.
- For the calendar year 2030, no less than 12.5 percent of the electric company's system peak in the calendar year 2016.
- For the calendar year 2031 and subsequent calendar years, no less than 14.5 percent of the electric company's system peak in the calendar year 2016.

Requires PUC to reserve 25 percent of program capacity for "carve-out" projects. Provides that project can qualify as carve-out project if:

- 50 percent of the project capacity is reserved for low-income participants;
- the project manager is public entity, nonprofit entity or renewable energy cooperative;
- project manager is partnered with agent that is federally recognized Indian tribe, public entity, or nonprofit entity, and agent and project manager conduct outreach to subscribe agent's community members for at least 50 percent of the projects capacity, including 25 percent of capacity for residential customers from the agent's community, and project has nameplate capacity of 360 kilowatts alternating current or less; or
- project manager is partnered with is partnered with agent that is federally recognized Indian tribe, public entity, or nonprofit entity and agent conducts outreach efforts to subscribe 50 percent of project capacity to underserved community members, including at least 25 percent residential customers.

Requires PUC to determine rate of compensation for project managers for battery energy storage included in project no later than December 31, 2026.

-4 Replaces measure.

- Includes in direction to Public Utility Commission in establishing program for procurement of electricity from community solar projects to allow a community solar subscriber to subscribe without limit to the total amount of aggregate capacity across community solar projects or electric companies that the subscriber leases.
- Allows a community solar project to be located within an electric company's service territory that is different from the electric company's service territory within which subscribers are located and to have up to 20 megawatts of nameplate capacity.
- Requires PUC to allow community solar project with nameplate capacity that is less than two megawatts to use interconnection process established for net metering facilities; allow project manager to hire third-party contractor, in consultation with electric company, to build interconnection upgrades. Authorizes PUC, by order, to adopt schedule establishing penalties that may be imposed on electric company for unreasonably denying interconnection process for a community solar project after a public hearing.

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- Requires PUC as part of program to reserve 35 percent of program capacity that qualify as community focused and authorizes the PUC to establish criteria, which includes certain requirements, for qualifying as community focused.
 - Requires PUC to make administration costs of program public.
 - Requires PUC to add 160 megawatts of capacity to program no later than December 31, 2026.
 - Exempts community solar project with nameplate capacity that is three megawatts or less from ad valorem taxation beginning January 1, 2026.
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- Revenue Statement Issued
 - Fiscal Statement Issued

BACKGROUND:

The Oregon Community Solar Program was established by the Oregon Legislature in 2016 through Senate Bill 1547. Community solar is solar energy generated from a central location and shared by multiple subscribers rather than drawing power from individually owned solar projects. Customers of Portland General Electric, Pacific Power and Idaho Power can subscribe to a Community Solar Project and get a credit on their utility bill for their portion of the energy generated by the project.