HB 2066 A -A5, -A6 STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Twais Broadus, Fiscal Analyst
Meeting Dates: 6/11

WHAT THE MEASURE DOES:

Establishes a regulatory framework for the ownership, deployment, and use of microgrids and community microgrids in Oregon. Requires the Public Utility Commission to develop rules addressing interconnection, safety, compensation, and operational standards, including provisions for front-of-meter resources, resilience benefits, and emergency operations. Authorizes local governments to designate microgrid zones, adopt compatible land use regulations, and coordinate with electric utilities for approval. Directs the Department of Consumer and Business Services to update building codes to support microgrid integration. Rulemaking must be completed within 18 months of the Act's effective date.

ISSUES DISCUSSED:

- Fiscal impact of the measure
- Effect of the amendment

EFFECT OF AMENDMENT:

-A5 This amendment defines "microgrid operator," requires compliance with technical feasibility and system reliability requirements, allows independent operation during emergencies, and prohibits microgrid operators from controlling electric company infrastructure.

-A6 The amendment increases the Public Utility Commission's 2025–27 Other Funds expenditure limit by $410,136.

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.