

House Bill 2066

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Climate, Energy, and Environment for Representative John Lively)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Tells the PUC to create rules and a framework to allow microgrids. (Flesch Readability Score: 72.6).

Directs the Public Utility Commission to establish a regulatory framework to allow the ownership, deployment and use of microgrids and community microgrids.

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

A BILL FOR AN ACT

1
2 Relating to microgrids; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 757.**

5 **SECTION 2. (1) As used in this section:**

6 (a) **“Community-based organization” means a nonprofit organization with demonstrated**
7 **efficacy that is representative of a community or specific segments of a community, serves**
8 **to meet the community’s needs in the area of social, human or health services and is located**
9 **within or in close proximity to the community the organization serves.**

10 (b) **“Community microgrid” means a microgrid that is composed of a localized group of**
11 **customers and distributed energy resources within clearly defined electrical boundaries.**

12 (c) **“Energy resource” means a small-scale energy system or mechanism that generates,**
13 **stores or consumes energy or works to balance and match energy demand with energy sup-**
14 **ply.**

15 (d) **“Front-of-meter” means the utility side of a transmission or distribution system in**
16 **reference to a customer’s meter.**

17 (e) **“Microgrid” means an interconnected system of loads and energy resources appro-**
18 **priately sized to meet customer needs within clearly defined electrical boundaries that can**
19 **function as a single, controllable system independent from a utility transmission or distrib-**
20 **ution system.**

21 (2) **The Public Utility Commission shall conduct an investigation to establish a regulatory**
22 **framework for allowing the ownership, deployment and use of microgrids and community**
23 **microgrids.**

24 (3) **The investigation must:**

25 (a) **Determine the benefits and constraints of deploying microgrids and community**
26 **microgrids.**

27 (b) **Establish interconnection standards and requirements.**

28 (c) **Establish safety and performance standards.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (d) Establish an application and approval process that is accessible.

2 (e) Develop a framework for compensation and cost allocation that recognizes the value
3 community microgrids provide to all electricity customers, the electric grid and local users
4 of the electric grid. The framework must take into consideration the reliability and resilience
5 services a microgrid or community microgrid provides to a transmission or distribution
6 system, to a community in which the microgrid or community microgrid is located and to
7 critical infrastructure.

8 (f) Establish a methodology for compensating an owner, subscriber or developer of a
9 microgrid or community microgrid for the value that the microgrid or community microgrid
10 provides. The methodology must:

11 (A) Incorporate the value of lost load during a public safety power shutoff; and

12 (B) Include a schedule of avoided costs of a utility that reflects the value of the energy
13 generated or saved by a microgrid or community microgrid.

14 (g) Allow excess energy generated by a microgrid or community microgrid to be sold to
15 a utility on a nondiscriminatory basis.

16 (h) Allow a microgrid or community microgrid to use front-of-meter energy resources
17 that are owned or operated by a utility, third-party developer, local or tribal government or
18 community-based organization.

19 (4) In conducting the investigation, the commission shall consult with appropriate local,
20 state and federal agencies.

21 **SECTION 3.** This 2025 Act takes effect on the 91st day after the date on which the 2025
22 regular session of the Eighty-third Legislative Assembly adjourns sine die.

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