

House Bill 2656

Sponsored by Representative EVANS (Pre-session filed.)

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: The Act makes changes to laws involving solar power systems. (Flesch Readability Score: 61.3).

Prohibits the Public Utility Commission, municipal electric utilities, electric cooperatives and people's utility districts from setting a maximum amount of cumulative generating capacity for solar net metering systems that is allowed to be interconnected.

A BILL FOR AN ACT

1
2 Relating to net metering; amending ORS 757.300.

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

4 **SECTION 1.** ORS 757.300 is amended to read:

5 757.300. (1) As used in this section:

6 (a) "Customer-generator" means a user of a net metering facility.

7 (b) "Electric utility" means a public utility, a people's utility district operating under ORS
8 chapter 261, a municipal utility operating under ORS chapter 225 or an electric cooperative organ-
9 ized under ORS chapter 62.

10 (c) "Net metering" means measuring the difference between the electricity supplied by an elec-
11 tric utility and the electricity generated by a customer-generator and fed back to the electric utility
12 over the applicable billing period.

13 (d) "Net metering facility" means a facility for the production of electrical energy that:

14 (A) Generates electricity using:

15 (i) Solar power;

16 (ii) Wind power;

17 (iii) Fuel cells;

18 (iv) Hydroelectric power;

19 (v) Landfill gas;

20 (vi) Digester gas;

21 (vii) Waste;

22 (viii) Dedicated energy crops available on a renewable basis;

23 (ix) Low-emission, nontoxic biomass based on solid organic fuels from wood, forest or field resi-
24 dues;

25 (x) Geothermal energy; or

26 (xi) Renewable marine energy, including wave energy, wave-wind hybrid energy and tidal en-
27 ergy;

28 (B) Is located on the customer-generator's premises, the territorial sea as defined in ORS
29 196.405, or the outer continental shelf;

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 (C) If located on the territorial sea or the outer continental shelf, is directly interconnected to
2 the customer-generator's premises;

3 (D) Can operate in parallel with an electric utility's existing transmission and distribution fa-
4 cilities; and

5 (E) Is intended primarily to offset part or all of the customer-generator's requirements for elec-
6 tricity.

7 (2) An electric utility that offers residential and commercial electric service:

8 (a) Shall allow net metering facilities to be interconnected using a standard meter that is ca-
9 pable of registering the flow of electricity in two directions.

10 (b) May at its own expense install one or more additional meters to monitor the flow of elec-
11 tricity in each direction.

12 (c) May not charge a customer-generator a fee or charge that would increase the customer-
13 generator's minimum monthly charge to an amount greater than that of other customers in the same
14 rate class as the customer-generator. However, the Public Utility Commission, for a public utility,
15 or the governing body, for a municipal electric utility, electric cooperative or people's utility dis-
16 trict, may authorize an electric utility to assess a greater fee or charge, of any type, if the electric
17 utility's direct costs of interconnection and administration of the net metering outweigh the dis-
18 tribution system, environmental and public policy benefits of allocating such costs among the elec-
19 tric utility's entire customer base. The commission may authorize a public utility to assess a greater
20 fee or charge under this paragraph only following notice and opportunity for public comment. The
21 governing body of a municipal electric utility, electric cooperative or people's utility district may
22 assess a greater fee or charge under this paragraph only following notice and opportunity for com-
23 ment from the customers of the utility, cooperative or district.

24 (3)(a) For a customer-generator, an electric utility shall measure the net electricity produced or
25 consumed during the billing period in accordance with normal metering practices.

26 (b) If an electric utility supplies a customer-generator more electricity than the customer-
27 generator feeds back to the electric utility during a billing period, the electric utility shall charge
28 the customer-generator for the net electricity that the electric utility supplied.

29 (c) Except as provided in paragraph (d) of this subsection, if a customer-generator feeds back to
30 an electric utility more electricity than the electric utility supplies the customer-generator during
31 a billing period, the electric utility may charge the minimum monthly charge described in subsection
32 (2) of this section but must credit the customer-generator for the excess kilowatt-hours generated
33 during the billing period. An electric utility may value the excess kilowatt-hours at the avoided cost
34 of the utility, as determined by the commission or the appropriate governing body. An electric utility
35 that values the excess kilowatt-hours at the avoided cost shall bear the cost of measuring the excess
36 kilowatt-hours, issuing payments and billing for the excess hours. The electric utility also shall bear
37 the cost of providing and installing additional metering to measure the reverse flow of electricity.

38 (d) For the billing cycle ending in March of each year, or on such other date as agreed to by
39 the electric utility and the customer-generator, any remaining unused kilowatt-hour credit accumu-
40 lated during the previous year shall be granted to the electric utility for distribution to customers
41 enrolled in the electric utility's low-income assistance programs, credited to the customer-generator
42 or dedicated for other use as determined by the commission, for a public utility, or the governing
43 body, for a municipal electric utility, electric cooperative or people's utility district, following notice
44 and opportunity for public comment.

45 (4)(a) A net metering facility shall meet all applicable safety and performance standards estab-

1 lished in the state building code. The standards shall be consistent with the applicable standards
 2 established by the National Electrical Code, the Institute of Electrical and Electronics Engineers
 3 and Underwriters Laboratories or other similarly accredited laboratory.

4 (b) Following notice and opportunity for public comment, the commission, for a public utility,
 5 or the governing body, for a municipal electric utility, electric cooperative or people’s utility dis-
 6 trict, may adopt additional control and testing requirements for customer-generators to protect
 7 public safety or system reliability.

8 (c) An electric utility may not require a customer-generator whose net metering facility meets
 9 the standards in paragraphs (a) and (b) of this subsection to comply with additional safety or per-
 10 formance standards, perform or pay for additional tests or purchase additional liability insurance.
 11 However, an electric utility shall not be liable directly or indirectly for permitting or continuing to
 12 allow an attachment of a net metering facility, or for the acts or omissions of the customer-
 13 generator that cause loss or injury, including death, to any third party.

14 (5) Nothing in this section is intended to prevent an electric utility from offering, or a
 15 customer-generator from accepting, products or services related to the customer-generator’s net
 16 metering facility that are different from the net metering services described in this section.

17 **(6)(a) The commission, for a public utility, or the governing body, for a municipal electric**
 18 **utility, electric cooperative or people’s utility district, may not set a maximum amount of**
 19 **cumulative generating capacity of solar net metering systems that is allowed to be inter-**
 20 **connected.**

21 **(b)(A)** The commission, for a public utility, or the governing body, for a municipal electric
 22 utility, electric cooperative or people’s utility district, may not *[limit the]* **set a maximum amount**
 23 **of** cumulative generating capacity of *[solar,]* wind, geothermal, renewable marine, fuel cell and
 24 microhydroelectric net metering systems *[to]* **that is allowed to be interconnected that is** less
 25 than one-half of one percent of a utility’s, cooperative’s or district’s historic single-hour peak load.

26 **(B)** After a cumulative *[limit]* **maximum amount** of one-half of one percent has been reached,
 27 the obligation of a public utility, municipal electric utility, electric cooperative or people’s utility
 28 district to offer net metering to a new customer-generator may be limited by the commission or
 29 governing body in order to balance the interests of retail customers. When limiting net metering
 30 obligations under this *[subsection]* **subparagraph**, the commission or the governing body shall con-
 31 sider the environmental and other public policy benefits of net metering systems. The commission
 32 may limit net metering obligations under this *[subsection]* **subparagraph** only following notice and
 33 opportunity for public comment. The governing body of a municipal electric utility, electric cooper-
 34 ative or people’s utility district may limit net metering obligations under this *[subsection]* **subpara-**
 35 **graph** only following notice and opportunity for comment from the customers of the utility,
 36 cooperative or district.

37 (7) The commission or the governing body may adopt rules or ordinances to ensure that the
 38 obligations and costs associated with net metering apply to all power suppliers within the service
 39 territory of a public utility, municipal electric utility, electric cooperative or people’s utility district.

40 (8) This section applies only to net metering facilities that have a generating capacity of 25
 41 kilowatts or less, except that the commission by rule may provide for a higher limit for customers
 42 of a public utility.

43 (9) Notwithstanding subsections (2) to (8) of this section, an electric utility serving fewer than
 44 25,000 customers in Oregon that has its headquarters located in another state and offers net me-
 45 tering services or a substantial equivalent offset against retail sales in that state shall be deemed

1 to be in compliance with this section if the electric utility offers net metering services to its cus-
2 tomers in Oregon in accordance with tariffs, schedules and other regulations promulgated by the
3 appropriate authority in the state where the electric utility's headquarters are located.

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