

# House Bill 3749

Sponsored by Representative NGUYEN D (at the request of NewSun Energy)

## 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: Allows a project to partake in the community solar program no matter the project's size or location. Bans the PUC from setting a limit on the program's size that is less than 25 percent of the load. (Flesch Readability Score: 64.5).

Allows a community solar project to participate in the community solar program irrespective of the project's nameplate capacity or location within this state.

Prohibits the Public Utility Commission from establishing a limit on the program capacity that is less than 25 percent of an electric company's retail electricity load in its service territory as of September 25, 2021. Prohibits the commission from establishing any limit on the program capacity for any increase after September 25, 2021, in an electric company's retail electricity load.

## A BILL FOR AN ACT

Relating to community solar projects; amending ORS 757.386.

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

**SECTION 1.** ORS 757.386 is amended to read:

757.386. (1) For purposes of this section:

(a) "Community solar project" means one or more solar photovoltaic energy systems that provide owners and subscribers the opportunity to share the costs and benefits associated with the generation of electricity by the solar photovoltaic energy systems.

(b) "Electric company" has the meaning given that term in ORS 757.600.

(c) "Owner" means a customer of an electric company who has proportionate ownership of part of a community solar project, such as direct ownership of one or more solar panels or shared ownership of the infrastructure of the community solar project.

(d) "Project manager" means the entity identified as having responsibility for managing the operation of a community solar project and, if applicable, for maintaining contact with the electric company that procures electricity from the community solar project. A project manager may be:

(A) An electric company; or

(B) An independent third party.

(e) "Solar photovoltaic energy system" means equipment and devices that have the primary purpose of collecting solar energy and generating electricity by photovoltaic effect.

(f) "Subscriber" means a customer of an electric company who proportionately leases part of a community solar project for a minimum of 10 years.

(2)(a) The Public Utility Commission shall establish by rule a program for the procurement of electricity from community solar projects. As part of the program, the commission shall:

(A) Adopt rules prescribing what qualifies a community solar project to participate in the program;

(B) Certify qualified community solar projects for participation in the program;

(C) Prescribe the form and manner by which project managers may apply for certification under

**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 the program; and

2 (D) Require, by rule or order, electric companies to enter into a 20-year power purchase agree-  
3 ment with a certified community solar project.

4 (b) The commission shall adopt rules under paragraph (a)(A) of this subsection that, at a mini-  
5 mum:

6 **(A) Permit a community solar project to participate in the program, irrespective of the**  
7 **community solar project's nameplate capacity, location in this state or interconnecting util-**  
8 **ity, or of the electric company service territory in which the community solar project's**  
9 **owners or subscribers are located relative to the location of the community solar project;**

10 [(A)] **(B)** Incentivize consumers of electricity to be owners or subscribers;

11 [(B)] **(C)** Minimize the shifting of costs from the program to ratepayers who do not own or  
12 subscribe to a community solar project;

13 [(C)] **(D)** Where an electric company is the project manager, protect owners and subscribers  
14 from undue financial hardship; and

15 [(D)] **(E)** Protect the public interest.

16 (c) The commission may suspend the program adopted under this subsection if the commission  
17 has good cause to suspend the program.

18 (3) A community solar project:

19 (a) Must have at least one solar photovoltaic energy system with a minimum generating capacity  
20 of 25 kilowatts;

21 (b) Must be located in this state; and

22 (c) May be located anywhere in this state.

23 (4) A project manager may offer ownership in or subscriptions to a community solar project only  
24 to consumers of electricity that are located:

25 (a) In this state; and

26 (b) In the service territory of an electric company.

27 (5)(a) A project manager may offer proportional ownership in or proportional subscriptions to  
28 a community solar project in any amount that does not exceed a potential owner's or potential  
29 subscriber's average annual consumption of electricity.

30 (b) Any value associated with the generation of electricity in excess of an offer to own or sub-  
31 scribe to a community solar project as limited by paragraph (a) of this subsection must be used by  
32 the electric company procuring electricity from the community solar project in support of low-  
33 income residential customers of the electric company.

34 (6)(a) Except as provided in paragraph (b) of this subsection, an electric company shall credit  
35 an owner's or subscriber's electric bill for the amount of electricity generated by a community solar  
36 project for the owner or subscriber in a manner that reflects the resource value of solar energy.  
37 For purposes of this paragraph, the commission shall determine the resource value of solar energy.

38 (b) The commission may adopt a rate for an electric company to use in crediting an owner's or  
39 subscriber's electric bill other than the rate described in paragraph (a) of this subsection if the  
40 commission has good cause to adopt the different rate.

41 (7)(a) Except as otherwise provided in this section, owners and subscribers shall bear the costs  
42 and benefits of constructing and operating a community solar project.

43 (b) Costs incurred by an electric company under the terms of a power purchase agreement en-  
44 tered into pursuant to subsection (2)(a)(D) of this section are recoverable in the rates of the electric  
45 company. Moneys collected pursuant to imposing those rates, under the terms of a power purchase

1 agreement entered into pursuant to subsection (2)(a)(D) of this section, may be transferred to a  
2 project manager for the purpose of operating a community solar project.

3 (c) All start-up costs prudently incurred during the development or modification of the program  
4 established under this section are recoverable in the rates of an electric company.

5 (d) Owners and subscribers shall bear all ongoing costs incurred during the continued adminis-  
6 tration of the program established under this section.

7 (8) Owners and subscribers own all renewable energy certificates established under ORS  
8 469A.130 that are associated with the generation of electricity by a community solar project, in  
9 proportion to the owner's proportional ownership in or the subscriber's proportional subscription to  
10 the community solar project.

11 (9) As part of the program established under this section, the commission shall:

12 (a) Determine a methodology by which 10 percent of the total generating capacity of the com-  
13 munity solar projects operated under the program will be made available for use by low-income  
14 residential customers of electricity; and

15 (b) Periodically review and adjust the percentage described in paragraph (a) of this subsection.

16 (10) A subscription described in this section shall be considered a lease for purposes of ORS  
17 307.092 and 307.112.

18 **(11) As part of the program established under this section, the commission may not:**

19 **(a) Establish a limit on the total generating capacity of community solar projects allowed**  
20 **under the program for a service territory of an electric company that is less than 25 percent**  
21 **of the electric company's retail electricity load, as of September 25, 2021, for the service**  
22 **territory of the electric company; and**

23 **(b) Establish a limit on the total generating capacity of community solar projects allowed**  
24 **under the program for a service territory of an electric company for any increases after**  
25 **September 25, 2021, in an electric company's retail electricity load for the service territory**  
26 **of the electric company.**