

Senate Bill 217

Sponsored by Senator SMITH DB (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: Makes a power company pay a person for excess power that the person makes through net metering. (Flesch Readability Score: 60.1).

Requires an electric utility to pay a net metering customer-generator for the excess kilowatt-hours generated during a billing period.

Removes the requirement that a customer-generator grant, but allows a customer-generator to donate, any credit for excess kilowatt-hours generated by the customer-generator to the electric utility's low-income assistance program.

A BILL FOR AN ACT

1
2 Relating to the paying of net metering customer-generators for the excess kilowatt-hours generated
3 during a billing period; creating new provisions; and amending ORS 757.300.

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

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

6 757.300. (1) As used in this section:

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

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

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

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

15 (A) Generates electricity using:

16 (i) Solar power;

17 (ii) Wind power;

18 (iii) Fuel cells;

19 (iv) Hydroelectric power;

20 (v) Landfill gas;

21 (vi) Digester gas;

22 (vii) Waste;

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

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

26 (x) Geothermal energy; or

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

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 (B) Is located on the customer-generator's premises, the territorial sea as defined in ORS
2 196.405, or the outer continental shelf;

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

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

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

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

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

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

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

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

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

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

41 (d) [*For the billing cycle ending in March of each year, or on such other date as agreed to by the*
42 *electric utility and the customer-generator, any remaining unused kilowatt-hour credit accumulated*
43 *during the previous year shall be granted*] **An electric utility may ask a customer-generator to**
44 **donate and grant any credit for excess kilowatt-hours generated during a billing period** to the
45 electric utility for distribution to customers enrolled in the electric utility's low-income assistance

1 programs[, *credited to the customer-generator or dedicated for*] **or** other use as determined by the
2 commission, for a public utility, or the governing body, for a municipal electric utility, electric co-
3 operative or people's utility district, following notice and opportunity for public comment.

4 (4)(a) A net metering facility shall meet all applicable safety and performance standards estab-
5 lished in the state building code. The standards shall be consistent with the applicable standards
6 established by the National Electrical Code, the Institute of Electrical and Electronics Engineers
7 and Underwriters Laboratories or other similarly accredited laboratory.

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

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

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

21 (6) The commission, for a public utility, or the governing body, for a municipal electric utility,
22 electric cooperative or people's utility district, may not limit the cumulative generating capacity of
23 solar, wind, geothermal, renewable marine, fuel cell and microhydroelectric net metering systems to
24 less than one-half of one percent of a utility's, cooperative's or district's historic single-hour peak
25 load. After a cumulative limit of one-half of one percent has been reached, the obligation of a public
26 utility, municipal electric utility, electric cooperative or people's utility district to offer net metering
27 to a new customer-generator may be limited by the commission or governing body in order to bal-
28 ance the interests of retail customers. When limiting net metering obligations under this subsection,
29 the commission or the governing body shall consider the environmental and other public policy
30 benefits of net metering systems. The commission may limit net metering obligations under this
31 subsection only following notice and opportunity for public comment. The governing body of a mu-
32 nicipal electric utility, electric cooperative or people's utility district may limit net metering obli-
33 gations under this subsection only following notice and opportunity for comment from the customers
34 of the utility, cooperative or district.

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

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

41 (9) Notwithstanding subsections (2) to (8) of this section, an electric utility serving fewer than
42 25,000 customers in Oregon that has its headquarters located in another state and offers net me-
43 tering services or a substantial equivalent offset against retail sales in that state shall be deemed
44 to be in compliance with this section if the electric utility offers net metering services to its cus-
45 tomers in Oregon in accordance with tariffs, schedules and other regulations promulgated by the

1 appropriate authority in the state where the electric utility's headquarters are located.

2 **SECTION 2. The amendments to ORS 757.300 by section 1 of this 2025 Act apply to net**
3 **metering contracts entered into or renewed on or after the effective date of this 2025 Act.**

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