

HB 2066-2
(LC 1513)
3/28/25 (CPA/ps)

Requested by HOUSE COMMITTEE ON CLIMATE, ENERGY, AND ENVIRONMENT (at the request of Representative John Lively)

**PROPOSED AMENDMENTS TO
HOUSE BILL 2066**

1 On page 1 of the printed bill, delete lines 4 through 28 and delete page
2 2 and insert:

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

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

6 **“(a) ‘Community-based organization’ means an organization with
7 demonstrated efficacy that is representative of a community or spe-
8 cific segments of a community and serves to meet the community’s
9 needs.**

10 **“(b) ‘Community microgrid’ means a microgrid that is located
11 within a geographical area that a local government designates as a
12 microgrid zone under section 7 of this 2025 Act.**

13 **“(c) ‘Electric company’ has the meaning given that term in ORS
14 757.600.**

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

17 **“(e) ‘Microgrid’ means a group of interconnected loads and distrib-
18 uted energy resources within clearly defined electrical boundaries that
19 functions as a single controllable system, irrespective of whether the
20 microgrid is operating independently of or in conjunction with an
21 electric grid.**

1 “(f) ‘Microgrid operator’ means an entity that is responsible for
2 operating a microgrid, including coordinating the operations of the
3 microgrid resources.

4 “(2) The Public Utility Commission shall conduct an investigation
5 and establish a regulatory framework for allowing the ownership, de-
6 ployment and use of microgrids and community microgrids within the
7 service territories of electric companies.

8 “(3) The regulatory framework established under this section must:

9 “(a) Take into consideration the benefits and constraints of de-
10 ploying microgrids and community microgrids.

11 “(b) Take into consideration the role of microgrids and community
12 microgrids in supporting economic growth, innovations around zero
13 emissions energy and reliable electricity service.

14 “(c) Take into consideration different approaches to designing, de-
15 ploying and operating microgrids or community microgrids that serve
16 a single customer or multiple customers.

17 “(d) Provide for interconnection standards and requirements.

18 “(e) Provide for safety and performance standards.

19 “(f) Utilize an application and approval process that is accessible.

20 “(g) Include a framework for compensation and cost allocation that
21 recognizes the value microgrids and community microgrids provide to
22 all electricity customers, the electric grid and local users of the elec-
23 tric grid. The framework for compensation and allocation must take
24 into consideration:

25 “(A) The reliability and resilience services that a microgrid or
26 community microgrid provides to a transmission or distribution sys-
27 tem and to a community in which the microgrid or community
28 microgrid is located.

29 “(B) A microgrid or community microgrid’s ability to operate in
30 parallel to a transmission or distribution system as a resource pursu-

1 ant to a tariff rate.

2 “(h) Include a methodology for compensating an owner, subscriber
3 or developer of a microgrid or community microgrid for the value that
4 the microgrid or community microgrid provides. The methodology
5 must:

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

8 “(B) Include a schedule of avoided costs of a utility that reflects the
9 value of the energy generated or saved by a microgrid or community
10 microgrid.

11 “(i) Allow excess energy generated by a microgrid or community
12 microgrid to be sold to a utility on a nondiscriminatory basis.

13 “(j) Allow an owner or operator of a microgrid or community
14 microgrid to incorporate front-of-meter energy resources that are
15 owned or operated by a utility, third-party developer, local or tribal
16 government or community-based organization.

17 “(k) Allow an electric company to partner with municipalities,
18 businesses or communities to develop microgrids that improve
19 resilience or mitigate the need for infrastructure upgrades.

20 “(L) Provide for a standard for reasonable shared costs for com-
21 munity energy resilience that is provided by a community microgrid
22 that allow for owners or operators of a community microgrid to re-
23 cover the costs for designing, constructing or maintaining the com-
24 munity microgrid from customers who use:

25 “(A) The microgrid;

26 “(B) The distribution system located within a microgrid zone des-
27 igned under section 7 of this 2025 Act within which the community
28 microgrid is located; or

29 “(C) The distribution system local to the community microgrid.

30 “(m) Allow for redundant infrastructure that supports community

1 **microgrids.**

2 **“(n) Provide for the approval of a community microgrid if the**
3 **community microgrid enhances local energy resilience and is capable**
4 **of supporting critical infrastructure during and after an emergency,**
5 **natural disaster or disruption to the electric grid or energy supply.**

6 **“(o) Allow a community microgrid operator to operate one or more**
7 **community microgrids independently from the electric grid system.**

8 **“(p) Provide standards for coordination and collaboration between**
9 **microgrid operators and electric companies in the operation of micro-**
10 **grids and community microgrids.**

11 **“SECTION 3. The Public Utility Commission shall complete the in-**
12 **vestigation and establish a regulatory framework under section 2 of**
13 **this 2025 Act not later than 18 months from the effective date of this**
14 **2025 Act. In conducting the investigation, the commission shall con-**
15 **sult with appropriate local, state and federal agencies.**

16 **“SECTION 4. Section 5 of this 2025 Act is added to and made a part**
17 **of ORS chapter 455.**

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

19 **“(a) ‘Community microgrid’ means a microgrid that is located**
20 **within a geographical area that a local government designates as a**
21 **microgrid zone under section 7 of this 2025 Act.**

22 **“(b) ‘Microgrid’ means a group of interconnected loads and distrib-**
23 **uted energy resources within clearly defined electrical boundaries that**
24 **functions as a single controllable system, irrespective of whether the**
25 **microgrid is operating independently of or in conjunction with an**
26 **electric grid.**

27 **“(2) The Department of Consumer and Business Services shall adopt**
28 **rules to the state building code that support the integration of**
29 **buildings with community microgrids.**

30 **“SECTION 6. Section 7 of this 2025 Act is added to and made a part**

1 of ORS chapter 197.

2 **“SECTION 7. (1) As used in this section:**

3 **“(a) ‘Community microgrid’ means a microgrid that is located**
4 **within a geographical area that a local government designates as a**
5 **microgrid zone under to this section.**

6 **“(b) ‘Consumer-owned utility,’ ‘electric company’ and ‘governing**
7 **body’ have the meanings given those terms in ORS 757.600.**

8 **“(c) ‘Microgrid’ means a group of interconnected loads and distrib-**
9 **uted energy resources within clearly defined electrical boundaries that**
10 **functions as a single controllable system, irrespective of whether the**
11 **microgrid is operating independently of or in conjunction with an**
12 **electric grid.**

13 **“(2) A local government may:**

14 **“(a) Adopt land use regulations that correspond to microgrid zones**
15 **to encourage development that is compatible with microgrids and**
16 **community microgrids.**

17 **“(b) Designate a geographical area based on existing electric service**
18 **infrastructure located within the jurisdiction of the local government**
19 **as a microgrid zone, subject to the approval of:**

20 **“(A) The Public Utility Commission, if the microgrid zone is located**
21 **within the service territory of an electric company; or**

22 **“(B) The governing body of a consumer-owned utility, if the**
23 **microgrid zone is located within the service territory of a consumer-**
24 **owned utility.**

25 **“(c) Enter into an intergovernmental agreement with one or more**
26 **local governments to designate a geographical area based on existing**
27 **electric service infrastructure located within and across the jurisdic-**
28 **tions of the local governments as a microgrid zone, subject to the ap-**
29 **proval of:**

30 **“(A) The commission, if the microgrid zone is located within the**

1 service territory of an electric company; or

2 “(B) The governing body of a consumer-owned utility, if the
3 microgrid zone is located within the service territory of a consumer-
4 owned utility.

5 “SECTION 8. This 2025 Act takes effect on the 91st day after the
6 date on which the 2025 regular session of the Eighty-third Legislative
7 Assembly adjourns sine die.”.

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