

SB 92-4
(LC 2571)
4/3/25 (CPA/ps)

Requested by SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

**PROPOSED AMENDMENTS TO
SENATE BILL 92**

On page 1 of the printed bill, line 2, delete “amending ORS 757.386” and insert “creating new provisions; and amending ORS 307.175 and 757.386”.

Delete lines 4 through 23 and delete pages 2 and 3 and insert:

“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

1 have the primary purpose of collecting solar energy and generating electric-
2 ity by photovoltaic effect.

3 “(f) ‘Subscriber’ means a customer of an electric company who propor-
4 tionately leases part of a community solar project for a minimum of 10 years.

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

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

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

12 “(C) Prescribe the form and manner by which project managers may apply
13 for certification under the program; *[and]*

14 “(D) Require, by rule or order, electric companies to enter into a 20-year
15 power purchase agreement with a certified community solar project; **and**

16 **“(E) Allow a subscriber to subscribe to community solar projects**
17 **without limit to the total amount of aggregate capacity across com-**
18 **munity solar projects or electric companies that the subscriber**
19 **leases.**

20 “(b) The commission shall adopt rules under paragraph (a)(A) of this
21 subsection that, at a minimum:

22 “(A) Incentivize consumers of electricity to be owners or subscribers;

23 “(B) Minimize the shifting of costs from the program to ratepayers who
24 do not own or subscribe to a community solar project;

25 “(C) Where an electric company is the project manager, protect owners
26 and subscribers from undue financial hardship; and

27 “(D) Protect the public interest.

28 “(c) The commission may suspend the program *[adopted]* **established** un-
29 der this subsection if the commission has good cause to suspend the program.

30 “(3) A community solar project:

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

3 “(b) Must be located in this state; *[and]*

4 “(c) May be located anywhere in this state;

5 **“(d) May be located within an electric company’s service territory**
6 **that is different from the electric company’s service territory within**
7 **which subscribers of the community solar project are located; and**

8 **“(e) May have up to 20 megawatts of nameplate capacity.**

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

11 “(a) In this state; and

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

13 “(5)(a) A project manager may offer proportional ownership in or propor-
14 tional subscriptions to a community solar project in any amount that does
15 not exceed a potential owner’s or potential subscriber’s average annual con-
16 sumption of electricity.

17 “(b) Any value associated with the generation of electricity in excess of
18 an offer to own or subscribe to a community solar project as limited by
19 paragraph (a) of this subsection must be used by the electric company pro-
20 curing electricity from the community solar project in support of low-income
21 residential customers of the electric company.

22 “(6)(a) Except as provided in paragraph (b) of this subsection, an electric
23 company shall credit an owner’s or subscriber’s electric bill for the amount
24 of electricity generated by a community solar project for the owner or sub-
25 scriber in a manner that reflects the resource value of solar energy. For
26 purposes of this paragraph, the commission shall determine the resource
27 value of solar energy.

28 “(b) The commission may adopt a rate for an electric company to use in
29 crediting an owner’s or subscriber’s electric bill other than the rate de-
30 scribed in paragraph (a) of this subsection if the commission has good cause

1 to adopt the different rate.

2 **“(7) As part of the program established under this section, the**
3 **commission shall require electric companies to:**

4 **“(a) Allow a community solar project that has a nameplate capacity**
5 **that is less than two megawatts to use an interconnection process that**
6 **is established for net metering facilities under ORS 757.300.**

7 **“(b) Allow a project manager to hire a third-party contractor to**
8 **build, in consultation with the electric company, interconnection up-**
9 **grades.**

10 **“(8) After public hearing, the commission by order shall adopt a**
11 **schedule establishing penalties that may be imposed on an electric**
12 **company for unreasonably delaying the interconnection process for a**
13 **community solar project and the time allowed for an electric company**
14 **to take action necessary to correct the delay.**

15 **“[(7)(a)] (9)(a)** Except as otherwise provided in this section, owners and
16 subscribers shall bear the costs and benefits of constructing and operating
17 a community solar project.

18 **“(b)** Costs incurred by an electric company under the terms of a power
19 purchase agreement entered into pursuant to subsection (2)(a)(D) of this
20 section are recoverable in the rates of the electric company. Moneys col-
21 lected pursuant to imposing those rates, under the terms of a power purchase
22 agreement entered into pursuant to subsection (2)(a)(D) of this section, may
23 be transferred to a project manager for the purpose of operating a community
24 solar project.

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

28 **“(d)** Owners and subscribers shall bear all ongoing costs incurred during
29 the continued administration of the program established under this section.

30 **“[(8)] (10)** Owners and subscribers own all renewable energy certificates

1 established under ORS 469A.130 that are associated with the generation of
2 electricity by a community solar project, in proportion to the owner's pro-
3 portional ownership in or the subscriber's proportional subscription to the
4 community solar project.

5 "[9] (11) As part of the program established under this section, the
6 commission shall:

7 "(a) Determine a methodology by which 10 percent of the total generating
8 capacity of the community solar projects operated under the program will
9 be made available for use by low-income residential customers of electricity;
10 and

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

13 **"(12) As part of the program established under this section, the**
14 **commission shall reserve 25 percent of the program capacity for com-**
15 **munity solar projects that qualify as community focused. The com-**
16 **mission may establish by rule criteria to be used for qualifying a**
17 **community solar project as community focused. Criteria may include,**
18 **but is not limited to, whether the community solar project:**

19 **"(a) Reserves significant amount of capacity for low-income rate**
20 **payers or members of an underserved community;**

21 **"(b) Is developed by a renewable energy cooperative, public entity,**
22 **nonprofit organization, Indian tribe or tribal organization; and**

23 **"(c) Is a smaller-sized project.**

24 "[10] (13) A subscription described in this section shall be considered a
25 lease for purposes of ORS 307.092 and 307.112.

26 **"(14) The commission shall make public the administration costs**
27 **of the program established under this section.**

28 **"SECTION 2. No later than December 31, 2026, the Public Utility**
29 **Commission shall add 160 megawatts of capacity to the program es-**
30 **tablished under ORS 787.386.**

1 **SECTION 3.** ORS 307.175 is amended to read:

2 “307.175. (1) As used in this section:

3 “(a) ‘Alternative energy system’ means property consisting of solar,
4 geothermal, wind, water, fuel cell or methane gas energy systems for the
5 purpose of heating, cooling or generating electricity.

6 “(b) ‘Community solar project’ has the meaning given that term in ORS
7 757.386.

8 “(2) The following property is exempt from ad valorem property taxation:

9 “(a) An alternative energy system that is:

10 “(A) A net metering facility, as defined in ORS 757.300; or

11 “(B) Primarily designed to offset onsite electricity use.

12 “(b) A community solar project **with a nameplate capacity that is**
13 **three megawatts or less.**

14 “(3) Notwithstanding ORS 307.110 and 308.505 to 308.674, any portion of
15 the real property to which an alternative energy system is affixed is exempt
16 under this section if:

17 “(a) The real property is otherwise exempt from ad valorem property
18 taxation; and

19 “(b) The alternative energy system is exempt under this section.

20 “(4) Property equipped with an alternative energy system is exempt from
21 ad valorem property taxation in an amount that equals any positive amount
22 obtained by subtracting the real market value of the property as if it were
23 not equipped with an alternative energy system from the real market value
24 of the property as equipped with the alternative energy system.

25 “(5) A community solar project is eligible to claim the exemption granted
26 under this section beginning on the date on which the electrical inspection
27 for the project is completed and approved.

28 “(6) A community solar project that is granted exemption under this sec-
29 tion may not be granted any other exemption from ad valorem property taxes
30 for the same property tax year.

1 **“SECTION 4.** The amendments to ORS 307.175 by section 3 of this
2 **2025 Act apply to tax years beginning on or after January 1, 2026.”.**

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