

D R A F T

SUMMARY

Modifies provision authorizing tariff schedules for use by public utilities that provide energy resource measures to individual property owners or customers. Makes tariff schedules subject to approval by Public Utility Commission. Specifies energy resource measures that may be provided by public utilities.

Allows public utility to include in its rates costs prudently incurred in implementing energy efficiency or energy conservation programs.

A BILL FOR AN ACT

1
2 Relating to public utilities; creating new provisions; and amending ORS
3 757.247.

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

5 **SECTION 1.** ORS 757.247 is amended to read:

6 757.247. *[(1) The Public Utility Commission may authorize a public utility*
7 *to file and place into effect tariff schedules establishing rates or charges for*
8 *renewable energy generation facilities, or for energy conservation measures,*
9 *services or payments, provided to individual property owners or customers.*
10 *Application of the schedule shall be subject to agreement between the public*
11 *utility and the property owner or customer receiving service at the time the*
12 *renewable energy generation facilities or conservation measures, services or*
13 *payments are initially provided.]*

14 *[(2) A tariff schedule under this section may include provisions for the*
15 *payment of the rates or charges over a period of time and for the application*
16 *of the payment obligation to successive property owners or customers at the*
17 *premises where the renewable energy generation facilities or conservation*
18 *measures or services were installed or performed or with respect to which the*

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 *payments were made.]*

2 **(1) The Public Utility Commission may authorize a public utility to**
3 **file and place into effect a tariff schedule establishing rates or charges**
4 **for the cost of energy resource measures provided to an individual**
5 **property owner or customer pursuant to an agreement entered into**
6 **between the individual property owner or customer and the public**
7 **utility. Energy resource measures provided under this section may**
8 **include:**

9 **(a) The installation of renewable energy generation facilities on the**
10 **property of property owners or the premises of customers;**

11 **(b) The implementation of energy conservation measures, including**
12 **measures that are not cost-effective;**

13 **(c) The installation of equipment or devices or the implementation**
14 **of measures that enable demand reduction, peak load reduction, im-**
15 **proved integration of renewable energy generation or more effective**
16 **utilization of energy resources;**

17 **(d) Loans for the purposes described in paragraphs (a) to (c) of this**
18 **subsection; and**

19 **(e) Direct payments to third parties for the purposes described in**
20 **paragraphs (a) to (c) of this subsection.**

21 **(2) Subject to the agreement entered into between the individual**
22 **property owner or customer and the public utility, a tariff schedule**
23 **placed into effect under this section may include provisions for:**

24 **(a) The payment of the rates or charges over a period of time;**

25 **(b) Except as provided in subsection (5) of this section, a reasonable**
26 **rate of return on any investment made by the public utility;**

27 **(c) The application of any payment obligation to successive owners**
28 **of the property to which the energy resource measure is attached or**
29 **to successive customers located at the premises to which the energy**
30 **resource measure is attached; and**

31 **(d) The application of the payment obligation to the current prop-**

1 **erty owner or customer alone, secured by methods agreed to by the**
2 **property owner or customer and the public utility.**

3 **(3) Application of a tariff schedule under this section is subject to**
4 **approval by the commission.**

5 ~~[(3)]~~ **(4) If a payment obligation [applies to successive property own-**
6 **ers or customers as described in subsection (2)(c) of this section, a**
7 public utility shall record a notice of ~~[any]~~ **the** payment obligation ~~[required~~
8 ~~of a property owner or customer under this section]~~ in the records maintained
9 by the county clerk under ORS 205.130. The commission may prescribe by
10 rule other methods by which the public utility shall notify property owners
11 or customers of ~~[any]~~ such payment ~~[obligation]~~ **obligations.**

12 ~~[(4)]~~ **(5) A public utility may use moneys obtained through a rate estab-**
13 **lished under ORS 757.603 (2)(a) to provide a renewable energy generation**
14 ~~[facilities]~~ **facility to a property [owners or customers] owner or customer**
15 **under this section. A public utility may not charge interest to a property**
16 **owner or customer for [facilities] a renewable energy generation facility**
17 **acquired with moneys obtained through a rate established under ORS 757.603**
18 **(2)(a).**

19 **(6) Agreements entered into and tariff schedules placed into effect**
20 **under this section are not subject to ORS 470.500 to 470.710, 757.612 or**
21 **757.689.**

22 **SECTION 2. Section 3 of this 2013 Act is added to and made a part**
23 **of ORS chapter 757.**

24 **SECTION 3. (1) Subject to making a finding under subsection (2)**
25 **of this section, the Public Utility Commission shall allow a public**
26 **utility to include in its rates costs incurred, and to collect interest on**
27 **any amounts invested by the public utility, in implementing energy**
28 **efficiency or energy conservation programs, to the extent that such**
29 **costs are prudently incurred and such investments are prudently**
30 **made.**

31 **(2)(a) The commission shall approve an energy efficiency or energy**

1 **conservation program proposed under this section if the commission**
2 **finds, except as provided in paragraphs (b) and (c) of this subsection,**
3 **that the program is cost-effective, as defined by the commission by**
4 **rule, for the type of program proposed.**

5 **(b) An energy efficiency or energy conservation program is cost-**
6 **effective if the program is specifically designed for low-income natural**
7 **gas customers and the program meets the cost-effectiveness standard**
8 **approved by the commission for the proposing public utility's low-**
9 **income weatherization program.**

10 **(c) An energy efficiency or energy conservation program is cost-**
11 **effective if the program is specifically designed for low-income elec-**
12 **tricity customers and the program meets the cost-effectiveness**
13 **standard utilized by the Housing and Community Services Department**
14 **for programs administered pursuant to ORS 757.612.**

15 **(3) The commission may not use a public utility's failure to propose**
16 **an energy efficiency or energy conservation program under this sec-**
17 **tion as the basis for finding that the public utility did not prudently**
18 **incur other lawfully authorized costs or for adjusting a public utility's**
19 **revenues.**

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