

D R A F T

SUMMARY

Directs electric utility to provide credit to subscribing customer that receives electric service within service territory of electric utility for electricity generated by community net metering facility under certain circumstances.

A BILL FOR AN ACT

1
2 Relating to electric utility operations; creating new provisions; and amend-
3 ing ORS 757.300.

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

5 **SECTION 1. Sections 2 and 4 of this 2013 Act are added to and made**
6 **a part of ORS chapter 757.**

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

8 (a) **“Community net metering facility” means a facility located in**
9 **this state for the production of electrical energy that:**

10 (A) **Generates electricity using solar power, wind power, fuel cells,**
11 **hydroelectric power, landfill gas, digester gas, waste, dedicated energy**
12 **crops available on a renewable basis or low-emission, nontoxic biomass**
13 **based on solid organic fuels from wood, forest or field residues, for**
14 **which a subscribing customer receives credit as described in sub-**
15 **sections (2) and (3) of this section;**

16 (B) **Is interconnected to an electric utility;**

17 (C) **Can operate in parallel with an electric utility’s existing trans-**
18 **mission and distribution facilities;**

19 (D) **Has a meter in place to monitor and measure the quantity of**
20 **energy generated by the facility; and**

1 (E) Is intended primarily to offset part or all of a subscribing
2 customer's requirements for electricity.

3 (b) "Electric utility" means a public utility, a people's utility dis-
4 trict operating under ORS chapter 261, a municipal electric utility op-
5 erating under ORS chapter 225 or an electric cooperative organized
6 under ORS chapter 62.

7 (c) "Subscribing customer" means a retail electricity consumer, or
8 an aggregate of retail electricity consumers, that receives credit as
9 described in subsections (2) and (3) of this section.

10 (2) An electric utility shall provide credit as described in subsection
11 (3) of this section to a subscribing customer that receives electric
12 service within the service territory of the electric utility for electricity
13 generated by a community net metering facility that is interconnected
14 to the electric utility if:

15 (a) The owner of the community net metering facility provides the
16 electric utility with:

17 (A) A single point of contact;

18 (B) A list, to be updated no more than one time per year, of all
19 subscribing customers that are to receive credits for electricity gen-
20 erated by the community net metering facility;

21 (C) The proportion or block of generated electricity assignable to
22 each subscribing customer; and

23 (D) A plan to maintain the efficiency of the community net meter-
24 ing facility; and

25 (b) The community net metering facility has a generating capacity
26 of no less than 10 kilowatts and no greater than two megawatts, except
27 that the Public Utility Commission, for a public utility, or the gov-
28 erning body, for a municipal electric utility, electric cooperative or
29 people's utility district, may establish a generating capacity greater
30 than two megawatts.

31 (3)(a) An electric utility shall credit a subscribing customer for the

1 **subscribing customer's share of electricity generated by a community**
2 **net metering facility:**

3 **(A) Except as provided in paragraph (b) of this subsection, by ap-**
4 **plying kilowatt-hour credits to the subscribing customer's utility bill**
5 **for the kilowatt-hours generated during the billing period that are**
6 **assignable to the subscribing customer; or**

7 **(B) If the electric utility is a municipal electric utility, electric co-**
8 **operative or people's utility district, by valuing the kilowatt-hours**
9 **generated during the billing period that are assignable to the sub-**
10 **scribing customer at the avoided cost of the electric utility as deter-**
11 **mined by the governing body of the municipal electric utility, electric**
12 **cooperative or people's utility district.**

13 **(b) For the billing cycle ending in March of each year, or on such**
14 **other date as agreed to by the electric utility and a subscribing cus-**
15 **tomer, any remaining unused kilowatt-hour credit accumulated during**
16 **the previous year for the subscribing customer shall be:**

17 **(A) Granted to the electric utility for distribution to customers en-**
18 **rolled in the electric utility's low-income assistance programs;**

19 **(B) Credited to the subscribing customer; or**

20 **(C) Dedicated for other use as determined by the commission, for**
21 **a public utility, or by the governing body, for a municipal electric**
22 **utility, electric cooperative or people's utility district, following notice**
23 **and comment.**

24 **(4) The commission, for a public utility, or the governing body, for**
25 **a municipal electric utility, electric cooperative or people's utility**
26 **district, may limit the number of retail electricity consumers that**
27 **subscribe to a community net metering facility under this section.**

28 **(5) The owner of a community net metering facility is responsible**
29 **for interconnection costs and meter fees established by the commis-**
30 **sion, for a public utility, or by the governing body, for a municipal**
31 **electric utility, electric cooperative or people's utility district.**

1 **(6) An electric utility may charge a community net metering facil-**
2 **ity a fee to cover the reasonable administrative expenses incurred**
3 **under this section. The fee charged under this subsection shall be**
4 **adopted by the commission, for a public utility, or by the governing**
5 **body, for a municipal electric utility, electric cooperative or people’s**
6 **utility district.**

7 **(7) The commission, for a public utility, or the governing body, for**
8 **a municipal electric utility, electric cooperative or people’s utility**
9 **district, may establish a limit for the cumulative generating capacity**
10 **of community net metering facilities.**

11 **(8)(a) Unless otherwise agreed to by contract, a subscribing cus-**
12 **tomer is the owner of a renewable energy certificate established under**
13 **ORS 469A.130 that is associated with energy generated for that sub-**
14 **scribing customer by a community net metering facility.**

15 **(b) The owner of a community net metering facility is responsible**
16 **for determining the share of renewable energy certificates assignable**
17 **to each subscribing customer under this subsection.**

18 **(9) The owner of a community net metering facility is eligible for**
19 **expenditures under ORS 757.612 (3)(b)(B).**

20 **(10) A community net metering facility and a subscribing customer**
21 **are not public utilities, as defined in ORS 757.005, for purposes of this**
22 **section.**

23 **SECTION 3.** **Until the Public Utility Commission, for a public util-**
24 **ity, or the governing body, for a municipal electric utility, electric**
25 **cooperative or people’s utility district, adopts the fee authorized by**
26 **section 2 (6) of this 2013 Act, an electric utility may charge a commu-**
27 **nity net metering facility a fee not to exceed \$400 plus \$10 per sub-**
28 **scribing customer per year for purposes described in section 2 (6) of**
29 **this 2013 Act.**

30 **SECTION 4.** **The Public Utility Commission, for a public utility, or**
31 **the governing body, for a municipal electric utility, electric cooper-**

1 **ative or people’s utility district, may not limit the cumulative gener-**
2 **ating capacity of solar, wind, fuel cell and microhydroelectric net**
3 **metering and community net metering systems described in ORS**
4 **757.300 and section 2 of this 2013 Act to less than one-half of one per-**
5 **cent of a utility’s, cooperative’s or district’s historic single-hour peak**
6 **load. After a cumulative limit of one-half of one percent has been**
7 **reached, the obligation of a public utility, municipal electric utility,**
8 **electric cooperative or people’s utility district to offer net metering**
9 **or community net metering to a new customer-generator may be lim-**
10 **ited by the commission or governing body in order to balance the in-**
11 **terests of retail customers. When limiting net metering or community**
12 **net metering obligations under this section, the commission or the**
13 **governing body shall consider the environmental and other public**
14 **policy benefits of net metering and community net metering systems.**
15 **The commission may limit net metering and community net metering**
16 **obligations under this subsection only following notice and opportu-**
17 **nity for public comment. The governing body of a municipal electric**
18 **utility, electric cooperative or people’s utility district may limit net**
19 **metering and community net metering obligations under this section**
20 **only following notice and opportunity for comment from the custom-**
21 **ers of the utility, cooperative or district.**

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

23 757.300. (1) As used in this section:

24 (a) “Customer-generator” means a user of a net metering facility.

25 (b) “Electric utility” means a public utility, a people’s utility district op-
26 erating under ORS chapter 261, a municipal utility operating under ORS
27 chapter 225 or an electric cooperative organized under ORS chapter 62.

28 (c) “Net metering” means measuring the difference between the electricity
29 supplied by an electric utility and the electricity generated by a customer-
30 generator and fed back to the electric utility over the applicable billing pe-
31 riod.

1 (d) "Net metering facility" means a facility for the production of elec-
2 trical energy that:

3 (A) Generates electricity using solar power, wind power, fuel cells, hy-
4 droelectric power, landfill gas, digester gas, waste, dedicated energy crops
5 available on a renewable basis or low-emission, nontoxic biomass based on
6 solid organic fuels from wood, forest or field residues;

7 (B) Is located on the customer-generator's premises;

8 (C) Can operate in parallel with an electric utility's existing transmission
9 and distribution facilities; and

10 (D) Is intended primarily to offset part or all of the customer-generator's
11 requirements for electricity.

12 (2) An electric utility that offers residential and commercial electric ser-
13 vice:

14 (a) Shall allow net metering facilities to be interconnected using a
15 standard meter that is capable of registering the flow of electricity in two
16 directions.

17 (b) May at its own expense install one or more additional meters to
18 monitor the flow of electricity in each direction.

19 (c) May not charge a customer-generator a fee or charge that would in-
20 crease the customer-generator's minimum monthly charge to an amount
21 greater than that of other customers in the same rate class as the
22 customer-generator. However, the Public Utility Commission, for a public
23 utility, or the governing body, for a municipal electric utility, electric coop-
24 erative or people's utility district, may authorize an electric utility to assess
25 a greater fee or charge, of any type, if the electric utility's direct costs of
26 interconnection and administration of the net metering outweigh the dis-
27 tribution system, environmental and public policy benefits of allocating such
28 costs among the electric utility's entire customer base. The commission may
29 authorize a public utility to assess a greater fee or charge under this para-
30 graph only following notice and opportunity for public comment. The gov-
31 erning body of a municipal electric utility, electric cooperative or people's

1 utility district may assess a greater fee or charge under this paragraph only
2 following notice and opportunity for comment from the customers of the
3 utility, cooperative or district.

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

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

11 (c) Except as provided in paragraph (d) of this subsection, if a customer-
12 generator feeds back to an electric utility more electricity than the electric
13 utility supplies the customer-generator during a billing period, the electric
14 utility may charge the minimum monthly charge described in subsection (2)
15 of this section but must credit the customer-generator for the excess
16 kilowatt-hours generated during the billing period. An electric utility may
17 value the excess kilowatt-hours at the avoided cost of the utility, as deter-
18 mined by the commission or the appropriate governing body. An electric
19 utility that values the excess kilowatt-hours at the avoided cost shall bear
20 the cost of measuring the excess kilowatt-hours, issuing payments and billing
21 for the excess hours. The electric utility also shall bear the cost of providing
22 and installing additional metering to measure the reverse flow of electricity.

23 (d) For the billing cycle ending in March of each year, or on such other
24 date as agreed to by the electric utility and the customer-generator, any re-
25 maining unused kilowatt-hour credit accumulated during the previous year
26 shall be granted to the electric utility for distribution to customers enrolled
27 in the electric utility's low-income assistance programs, credited to the
28 customer-generator or dedicated for other use as determined by the commis-
29 sion, for a public utility, or the governing body, for a municipal electric
30 utility, electric cooperative or people's utility district, following notice and
31 opportunity for public comment.

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

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

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

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

23 [(6) *The commission, for a public utility, or the governing body, for a mu-*
24 *nicipal electric utility, electric cooperative or people's utility district, may not*
25 *limit the cumulative generating capacity of solar, wind, fuel cell and micro-*
26 *hydroelectric net metering systems to less than one-half of one percent of a*
27 *utility's, cooperative's or district's historic single-hour peak load. After a cu-*
28 *mulative limit of one-half of one percent has been reached, the obligation of a*
29 *public utility, municipal electric utility, electric cooperative or people's utility*
30 *district to offer net metering to a new customer-generator may be limited by the*
31 *commission or governing body in order to balance the interests of retail cus-*

1 *tomers. When limiting net metering obligations under this subsection, the*
2 *commission or the governing body shall consider the environmental and other*
3 *public policy benefits of net metering systems. The commission may limit net*
4 *metering obligations under this subsection only following notice and opportu-*
5 *nity for public comment. The governing body of a municipal electric utility,*
6 *electric cooperative or people's utility district may limit net metering obli-*
7 *gations under this subsection only following notice and opportunity for com-*
8 *ment from the customers of the utility, cooperative or district.]*

9 [(7)] (6) The commission or the governing body may adopt rules or ordi-
10 nances to ensure that the obligations and costs associated with net metering
11 apply to all power suppliers within the service territory of a public utility,
12 municipal electric utility, electric cooperative or people's utility district.

13 [(8)] (7) This section applies only to net metering facilities that have a
14 generating capacity of 25 kilowatts or less, except that the commission by
15 rule may provide for a higher limit for customers of a public utility.

16 [(9)] (8) Notwithstanding subsections (2) to [(8)] (7) of this section, an
17 electric utility serving fewer than 25,000 customers in Oregon that has its
18 headquarters located in another state and offers net metering services or a
19 substantial equivalent offset against retail sales in that state shall be deemed
20 to be in compliance with this section if the electric utility offers net meter-
21 ing services to its customers in Oregon in accordance with tariffs, schedules
22 and other regulations promulgated by the appropriate authority in the state
23 where the electric utility's headquarters are located.

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