

# DRAFT

## SUMMARY

Limits amount of fee or charge that electric utility may impose on customer-generator for offsetting costs related to interconnection and administration.

Makes changes to provisions governing circumstances in which customer-generator feeds back to electric utility more electricity than electric utility supplies customer-generator.

Specifies that provisions governing net metering apply to nonresidential net metering facilities that have generating capacity of two megawatts or less.

Allows net metering facility to connect to electric utility's distribution system without anti-islanding equipment if net metering facility is certified as complying with UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems (January 2001).

## A BILL FOR AN ACT

1  
2 Relating to net metering; creating new provisions; and amending ORS  
3 757.300.

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 op-  
9 erating under ORS chapter 261, a municipal utility operating under ORS  
10 chapter 225 or an electric cooperative organized under ORS chapter 62.

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

1 rioid.

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

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

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

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

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

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

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

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

20 (c) **Except as authorized by paragraph (d) of this subsection**, may not  
21 charge a customer-generator a fee or charge that would increase the  
22 customer-generator's minimum monthly charge to an amount greater than  
23 that of other customers in the same rate class as the customer-generator.

24 [*However,*]

25 **(d)(A) Subject to subparagraphs (B) and (C) of this paragraph**, the  
26 Public Utility Commission, for a public utility, or the governing body, for a  
27 municipal electric utility, electric cooperative or people's utility district,  
28 may authorize an electric utility to assess a greater fee or charge, of any  
29 type, if the electric utility's direct costs of interconnection and adminis-  
30 tration of the net metering outweigh the distribution system, environmental  
31 and public policy benefits of allocating such costs among the electric utility's

1 entire customer base.

2 **(B) A fee or charge assessed under this paragraph may not exceed:**

3 **(i) If the fee or charge is assessed on a monthly basis, five percent**  
4 **of the net metering facility's monthly energy offset, or an amount**  
5 **equal to the value of five percent of the net metering facility's**  
6 **monthly energy offset, as measured under subsection (3) of this sec-**  
7 **tion; or**

8 **(ii) If the fee or charge is assessed on a one-time basis, half of the**  
9 **net metering facility's estimated annual energy offset, or an amount**  
10 **equal to the value of half of the net metering facility's estimated an-**  
11 **ual energy offset, as measured under subsection (3) of this section.**

12 **(C)** The commission may authorize a public utility to assess a greater fee  
13 or charge under this paragraph only following notice and opportunity for  
14 public comment. The governing body of a municipal electric utility, electric  
15 cooperative or people's utility district may assess a greater fee or charge  
16 under this paragraph only following notice and opportunity for comment  
17 from the customers of the utility, cooperative or district.

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

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

25 (c) Except as provided in paragraph (d) of this subsection, if a customer-  
26 generator feeds back to an electric utility more electricity than the electric  
27 utility supplies the customer-generator during a billing period, the electric  
28 utility may charge the minimum monthly charge described in subsection (2)  
29 of this section but must *[credit the customer-generator for the excess*  
30 *kilowatt-hours generated during the billing period. An electric utility may*  
31 *value the excess kilowatt-hours at the avoided cost of the utility, as determined*

1 *by the commission or the appropriate governing body. An electric utility that*  
2 *values the excess kilowatt-hours at the avoided cost shall bear the cost of*  
3 *measuring the excess kilowatt-hours, issuing payments and billing for the ex-*  
4 *cess hours. The electric utility also shall bear the cost of providing and in-*  
5 *stalling additional metering to measure the reverse flow of electricity.]* **carry**  
6 **forward the excess kilowatt-hours generated during the billing period**  
7 **to the subsequent billing period for use by the customer-generator.**  
8 **Kilowatt-hours carried forward under this paragraph and not used by**  
9 **the customer-generator during a subsequent billing period must be**  
10 **carried forward until the end of the billing cycle described in para-**  
11 **graph (d) of this subsection. Excess kilowatt-hours credited to the**  
12 **customer-generator and used by the customer-generator during a**  
13 **subsequent billing period must be valued at the retail rate in effect for**  
14 **electricity during the billing period in which the excess electricity was**  
15 **generated.**

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

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

30 (b) Following notice and opportunity for public comment, the commission,  
31 for a public utility, or the governing body, for a municipal electric utility,

1 electric cooperative or people's utility district, may adopt additional control  
2 and testing requirements for customer-generators to protect public safety or  
3 system reliability.

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

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

16 (6) The commission, for a public utility, or the governing body, for a  
17 municipal electric utility, electric cooperative or people's utility district,  
18 may not limit the cumulative generating capacity of solar, wind, fuel cell and  
19 microhydroelectric net metering systems to less than one-half of one percent  
20 of a utility's, cooperative's or district's historic single-hour peak load. After  
21 a cumulative limit of one-half of one percent has been reached, the obligation  
22 of a public utility, municipal electric utility, electric cooperative or people's  
23 utility district to offer net metering to a new customer-generator may be  
24 limited by the commission or governing body in order to balance the inter-  
25 ests of retail customers. When limiting net metering obligations under this  
26 subsection, the commission or the governing body shall consider the envi-  
27 ronmental and other public policy benefits of net metering systems. The  
28 commission may limit net metering obligations under this subsection only  
29 following notice and opportunity for public comment. The governing body  
30 of a municipal electric utility, electric cooperative or people's utility district  
31 may limit net metering obligations under this subsection only following no-

1 tice and opportunity for comment from the customers of the utility, cooper-  
2 ative or district.

3 (7) The commission or the governing body may adopt rules or ordinances  
4 to ensure that the obligations and costs associated with net metering apply  
5 to all power suppliers within the service territory of a public utility, mu-  
6 nicipal electric utility, electric cooperative or people's utility district.

7 (8) This section applies only to:

8 (a) **Residential** net metering facilities that have a generating capacity  
9 of 25 kilowatts or less, except that the commission by rule may provide for  
10 a higher limit for customers of a public utility[.]; **and**

11 (b) **Nonresidential net metering facilities that have a generating**  
12 **capacity of two megawatts or less.**

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

21 **SECTION 2. An electric utility, as defined in ORS 757.300, shall al-**  
22 **low a net metering facility, as defined in ORS 757.300, to connect to**  
23 **the electric utility's distribution system without the need for addi-**  
24 **tional anti-islanding equipment, such as a manual disconnect switch,**  
25 **if the net metering facility is certified as complying with standards**  
26 **published in UL 1741 Inverters, Converters, and Controllers for Use in**  
27 **Independent Power Systems (January 2001).**

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