

**REVENUE:** No revenue impact

**FISCAL:** Minimal fiscal impact, no statement issued

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**Action:** Do Pass as Amended and Be Printed Engrossed and Rescind the Subsequent Referral to the Committee on Ways and Means

**Vote:** 7 - 1 - 1

**Yeas:** Bentz, Boone, Dembrow, Johnson, Reardon, Vega Pederson, Bailey

**Nays:** Whitsett

**Exc.:** Weidner

**Prepared By:** Adam Crawford, Administrator

**Meeting Dates:** 2/19, 4/4, 4/9

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**WHAT THE MEASURE DOES:** Increases volumetric incentive rate pilot program cap by 2.5 megawatts to 27.5 megawatts. Closes pilot program to new applicants on March 31, 2016. Limits individual solar systems to no greater than 100 kilowatts. Requires Public Utility Commission (PUC) in consultation with Oregon Department of Energy (ODOE) to study effectiveness of programs that incent solar photovoltaic energy systems and other issues including solar resource value, costs and benefits of programs for retail customers, cost forecasts for solar systems, and recommendations for modifying existing programs or establishing new programs. Requires report to Legislative Assembly on or before July 1, 2014. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Feed-in tariff program history
- Target markets of feed-in tariff expansion
- Costs and benefits of solar energy production
- Benefits of distributed generation

**EFFECT OF COMMITTEE AMENDMENT:** Replaces measure.

**BACKGROUND:** There are two methods that Oregon ratepayers use to be compensated for producing energy through solar or small-scale wind power at or on their homes. These two methods are net metering and feed-in tariff rates. In Oregon the feed-in tariff program is called the Volumetric Incentive Rate (VIR) program. Both methods have caps. For net metering, utilities are required to purchase up to "one half of one percent of the utility's .... or district's historic single hour peak load." For the VIR program, there is an auctioning system in place. Customers with energy producing systems give bids for how much they would like to sell their generated power to utilities. Under current law, a new auction is held every six months and continues until 25 megawatts is reached or until the program sunsets on March 31, 2014. House Bill 2893 A would extend the sunset of the VIR program for two years and increase the program cap to 27.5 megawatts.