

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass the A-Engrossed Measure
Vote:	4 - 1 - 0
Yeas:	Bates, Hansell, Hass, Dingfelder
Nays:	Olsen
Exc.:	0
Prepared By:	Beth Reiley, Administrator
Meeting Dates:	5/6, 5/13

WHAT THE MEASURE DOES: Increases volumetric incentive rate pilot program (VIR Program) cap by 2.5 megawatts to 27.5 megawatts. Closes VIR Program to new applicants on March 31, 2016. Requires, on and after March 31, 2014, additional megawatts of alternating current to be generated by individual systems with nameplate generating capacity between five and 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:

- History of VIR Program
- Need for additional information on mid-size commercial market

EFFECT OF COMMITTEE AMENDMENT: No amendment.

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 program (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 VIR Program cap to 27.5 megawatts. The Act would also require the PUC in consultation with ODOE study the effectiveness of programs that incent solar photovoltaic energy systems and report to the Legislative Assembly on or before July 1, 2014.