

**SENATE MINORITY REPORT  
AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 2435**

June 29

President Courtney:

A minority of your Committee on Finance and Revenue, to whom was referred A-engrossed House Bill 2435, having had the same under consideration, respectfully reports it back with the recommendation that it do pass with the following amendments:

- 1 On page 1 of the printed A-engrossed bill, line 2, after “319.530” insert “and 757.300”.
- 2 Delete lines 19 and 20 and insert:
- 3 “(b) The exemption provided under paragraph (a) of this subsection does not apply to fuel:
- 4 “(A) Used in motor vehicles that have a gross vehicle weight rating of 26,001 pounds or more;
- 5 “(B) That is not sold in retail operations; or
- 6 “(C) That is sold in operations involving fleet fueling or bulk sales.”.
- 7 Delete lines 23 through 26.
- 8 On page 2, delete lines 1 through 12 and insert:
- 9 “**SECTION 3.** ORS 319.530, as amended by section 1 of this 2013 Act, is amended to read:
- 10 “319.530. (1) To compensate this state partially for the use of its highways, an excise tax hereby
- 11 is imposed at the rate of 30 cents per gallon on the use of fuel in a motor vehicle.
- 12 “(2) Except as otherwise provided in subsections (3) and (4) of this section, 100 cubic feet of fuel
- 13 used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees
- 14 Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.
- 15 “(3) One hundred twenty cubic feet of compressed natural gas used or sold in a gaseous state,
- 16 measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the
- 17 same rate as a gallon of liquid fuel.
- 18 “(4) One and three-tenths liquid gallons of propane at 60 degrees Fahrenheit is taxable at the
- 19 same rate as a gallon of other liquid fuel.
- 20 “[5)(a) *Except as provided in paragraph (b) of this subsection, the excise tax imposed under sub-*
- 21 *section (1) of this section does not apply to diesel fuel blended with a minimum of 20 percent biodiesel*
- 22 *that is derived from used cooking oil.]*
- 23 “[*(b) The exemption provided under paragraph (a) of this subsection does not apply to fuel:]*
- 24 “[*(A) Used in motor vehicles that have a gross vehicle weight rating of 26,001 pounds or more;]*
- 25 “[*(B) That is not sold in retail operations; or]*
- 26 “[*(C) That is sold in operations involving fleet fueling or bulk sales.]”.*
- 27 After line 14, insert:
- 28 “**SECTION 5.** ORS 757.300 is amended to read:
- 29 “757.300. (1) As used in this section:
- 30 “(a) ‘Customer-generator’ means a user of a net metering facility.
- 31 “(b) ‘Electric utility’ means a public utility, a people’s utility district operating under ORS
- 32 chapter 261, a municipal utility operating under ORS chapter 225 or an electric cooperative organ-

1 ized under ORS chapter 62.

2 “(c) ‘Net metering’ means measuring the difference between the electricity supplied by an elec-  
3 tric utility and the electricity generated by a customer-generator and fed back to the electric utility  
4 over the applicable billing period.

5 “(d) ‘Net metering facility’ means a facility for the production of electrical energy that:

6 “(A) Generates electricity using:

7 “(i) Solar power[,];

8 “(ii) Wind power[,];

9 “(iii) Fuel cells[,];

10 “(iv) Hydroelectric power[,];

11 “(v) Landfill gas[,];

12 “(vi) Digester gas[,];

13 “(vii) Waste[,];

14 “(viii) Dedicated energy crops available on a renewable basis [*or*];

15 “(ix) Low-emission, nontoxic biomass based on solid organic fuels from wood, forest or field  
16 residues; **or**

17 “(x) **Geothermal energy**;

18 “(B) Is located on the customer-generator’s premises;

19 “(C) Can operate in parallel with an electric utility’s existing transmission and distribution fa-  
20 cilities; and

21 “(D) Is intended primarily to offset part or all of the customer-generator’s requirements for  
22 electricity.

23 “(2) An electric utility that offers residential and commercial electric service:

24 “(a) Shall allow net metering facilities to be interconnected using a standard meter that is ca-  
25 pable of registering the flow of electricity in two directions.

26 “(b) May at its own expense install one or more additional meters to monitor the flow of elec-  
27 tricity in each direction.

28 “(c) May not charge a customer-generator a fee or charge that would increase the customer-  
29 generator’s minimum monthly charge to an amount greater than that of other customers in the same  
30 rate class as the customer-generator. However, the Public Utility Commission, for a public utility,  
31 or the governing body, for a municipal electric utility, electric cooperative or people’s utility dis-  
32 trict, may authorize an electric utility to assess a greater fee or charge, of any type, if the electric  
33 utility’s direct costs of interconnection and administration of the net metering outweigh the dis-  
34 tribution system, environmental and public policy benefits of allocating such costs among the elec-  
35 tric utility’s entire customer base. The commission may authorize a public utility to assess a greater  
36 fee or charge under this paragraph only following notice and opportunity for public comment. The  
37 governing body of a municipal electric utility, electric cooperative or people’s utility district may  
38 assess a greater fee or charge under this paragraph only following notice and opportunity for com-  
39 ment from the customers of the utility, cooperative or district.

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

42 “(b) If an electric utility supplies a customer-generator more electricity than the customer-  
43 generator feeds back to the electric utility during a billing period, the electric utility shall charge  
44 the customer-generator for the net electricity that the electric utility supplied.

45 “(c) Except as provided in paragraph (d) of this subsection, if a customer-generator feeds back

1 to an electric utility more electricity than the electric utility supplies the customer-generator during  
2 a billing period, the electric utility may charge the minimum monthly charge described in subsection  
3 (2) of this section but must credit the customer-generator for the excess kilowatt-hours generated  
4 during the billing period. An electric utility may value the excess kilowatt-hours at the avoided cost  
5 of the utility, as determined by the commission or the appropriate governing body. An electric utility  
6 that values the excess kilowatt-hours at the avoided cost shall bear the cost of measuring the excess  
7 kilowatt-hours, issuing payments and billing for the excess hours. The electric utility also shall bear  
8 the cost of providing and installing additional metering to measure the reverse flow of electricity.

9 “(d) For the billing cycle ending in March of each year, or on such other date as agreed to by  
10 the electric utility and the customer-generator, any remaining unused kilowatt-hour credit accumu-  
11 lated during the previous year shall be granted to the electric utility for distribution to customers  
12 enrolled in the electric utility’s low-income assistance programs, credited to the customer-generator  
13 or dedicated for other use as determined by the commission, for a public utility, or the governing  
14 body, for a municipal electric utility, electric cooperative or people’s utility district, following notice  
15 and opportunity for public comment.

16 “(4)(a) A net metering facility shall meet all applicable safety and performance standards es-  
17 tablished in the state building code. The standards shall be consistent with the applicable standards  
18 established by the National Electrical Code, the Institute of Electrical and Electronics Engineers  
19 and Underwriters Laboratories or other similarly accredited laboratory.

20 “(b) Following notice and opportunity for public comment, the commission, for a public utility,  
21 or the governing body, for a municipal electric utility, electric cooperative or people’s utility dis-  
22 trict, may adopt additional control and testing requirements for customer-generators to protect  
23 public safety or system reliability.

24 “(c) An electric utility may not require a customer-generator whose net metering facility meets  
25 the standards in paragraphs (a) and (b) of this subsection to comply with additional safety or per-  
26 formance standards, perform or pay for additional tests or purchase additional liability insurance.  
27 However, an electric utility shall not be liable directly or indirectly for permitting or continuing to  
28 allow an attachment of a net metering facility, or for the acts or omissions of the customer-  
29 generator that cause loss or injury, including death, to any third party.

30 “(5) Nothing in this section is intended to prevent an electric utility from offering, or a  
31 customer-generator from accepting, products or services related to the customer-generator’s net  
32 metering facility that are different from the net metering services described in this section.

33 “(6) The commission, for a public utility, or the governing body, for a municipal electric utility,  
34 electric cooperative or people’s utility district, may not limit the cumulative generating capacity of  
35 solar, wind, **geothermal**, fuel cell and microhydroelectric net metering systems to less than one-half  
36 of one percent of a utility’s, cooperative’s or district’s historic single-hour peak load. After a cumu-  
37 lative limit of one-half of one percent has been reached, the obligation of a public utility, municipal  
38 electric utility, electric cooperative or people’s utility district to offer net metering to a new  
39 customer-generator may be limited by the commission or governing body in order to balance the  
40 interests of retail customers. When limiting net metering obligations under this subsection, the  
41 commission or the governing body shall consider the environmental and other public policy benefits  
42 of net metering systems. The commission may limit net metering obligations under this subsection  
43 only following notice and opportunity for public comment. The governing body of a municipal elec-  
44 tric utility, electric cooperative or people’s utility district may limit net metering obligations under  
45 this subsection only following notice and opportunity for comment from the customers of the utility,

1 cooperative or district.

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

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

8 “(9) Notwithstanding subsections (2) to (8) of this section, an electric utility serving fewer than  
9 25,000 customers in Oregon that has its headquarters located in another state and offers net me-  
10 tering services or a substantial equivalent offset against retail sales in that state shall be deemed  
11 to be in compliance with this section if the electric utility offers net metering services to its cus-  
12 tomers in Oregon in accordance with tariffs, schedules and other regulations promulgated by the  
13 appropriate authority in the state where the electric utility’s headquarters are located.

14 **“SECTION 6. Section 7 of this 2013 Act is added to and made a part of ORS 757.600 to**  
15 **757.689.**

16 **“SECTION 7. If an electric company or Oregon Community Power collects the public**  
17 **purpose charge described in ORS 757.612, the electric company or Oregon Community Power**  
18 **shall establish a process by which an individual who is a residential electricity consumer and**  
19 **who provides proof of receiving financial assistance from the state or federal government**  
20 **may request the electric company or Oregon Community Power to no longer impose the**  
21 **public purpose charge on the individual. If such an individual makes a request under this**  
22 **section, the electric company or Oregon Community Power may not impose the public pur-**  
23 **pose charge on the individual.”.**

24 In line 15, delete “5” and insert “8”.

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/s/ Herman Baertschiger Jr  
Senator

/s/ Larry George  
Senator

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