

House Bill 2795

Sponsored by COMMITTEE ON ENERGY AND ENVIRONMENT

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Establishes community net metering for purpose of allowing subscribing customers to receive on-bill credit for portion of electricity produced by community net metering facility.

A BILL FOR AN ACT

1
2 Relating to community net metering.

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

4 **SECTION 1. Section 2 of this 2013 Act is added to and made a part of ORS chapter 757.**

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

6 (a) **“Community net metering facility” means a facility located in this state for the pro-**
7 **duction of electrical energy that:**

8 (A) **Is connected to an electric utility’s distribution system behind a production meter;**

9 (B) **Has a generating capacity of no greater than two megawatts and no less than 10**
10 **kilowatts; and**

11 (C) **Generates electricity, using solar power, for which a subscribing customer within the**
12 **same distribution system may receive on-bill credit.**

13 (b) **“Distribution system” means a system:**

14 (A) **Designated by an electric utility;**

15 (B) **That contains distribution lines, substations, switches, transformers and other dis-**
16 **tribution hardware, continuously connected at below 40 kilovolts, that are owned by the**
17 **designating utility; and**

18 (C) **That contains other additional infrastructure as designated by the electric utility.**

19 (c) **“Electric utility” means a public utility, a people’s utility district operating under ORS**
20 **chapter 261, a municipal electric utility operating under ORS chapter 225 or an electric co-**
21 **operative organized under ORS chapter 62.**

22 (d) **“On-bill credit” means a credit of kilowatt hours applied to a subscribing customer’s**
23 **bill to offset the consumption of electric energy.**

24 (e) **“Retail electricity consumer” means a retail electricity consumer, as defined in ORS**
25 **757.600, that is located in this state.**

26 (f) **“Subscribing customer” means a retail electricity consumer, or an aggregate of retail**
27 **electricity consumers, that receives on-bill credit for electricity generated by a community**
28 **net metering facility.**

29 (2)(a) **An electric utility that makes sales of electricity to retail electricity consumers in**
30 **an amount that equals three percent or more of all electricity sold to retail electricity con-**
31 **sumers in this state shall, and all other electric utilities at their discretion may, grant on-bill**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 credit as described in paragraphs (b) and (c) of this subsection to a subscribing customer,
2 provided that the community net metering facility generating electricity for the subscribing
3 customer provides the electric utility with:

4 (A) A single point of contact;

5 (B) A list, to be updated no more than one time per year, of all subscribing customers
6 that are to receive on-bill credit for electricity generated by the community net metering
7 facility; and

8 (C) The proportion or block of generated electricity assignable to each subscribing cus-
9 tomer.

10 (b) The electric utility granting on-bill credit shall grant on-bill credit to a subscribing
11 customer for the subscribing customer's portion of electricity generated by a community net
12 metering facility in a manner that approximates the benefit of net metering, as described in
13 ORS 757.300. However, if subtracting kilowatt-hours from a subscribing customer's utility
14 bill and, thereby, reducing the subscribing customer's bill due to fewer kilowatt hours being
15 charged at the subscribing customer's normal retail rate is not a preferable accounting
16 practice for an electric utility, then the electric utility may apply a credit of a dollar amount
17 to the subscribing customer's bill against charges for the consumption of electric energy,
18 provided that the dollar amount affords the subscribing customer with savings that are equal
19 to the savings that the subscribing customer would accrue if the subscribing customer re-
20 ceived on-bill credit. Other accounting practices providing equivalent benefit to a subscribing
21 customer may be adopted by rule by the Public Utility Commission, for a public utility, or
22 the governing body, for a municipal electric utility, electric cooperative or people's utility
23 district.

24 (c) If a community net metering facility generates more kilowatt hours for a subscribing
25 customer than the subscribing customer consumes during a billing period, the electric utility
26 shall credit excess kilowatt hours to successive billing periods in the same manner as an
27 electric utility provides credit for net metering facilities under ORS 757.300 (3)(c) and (d).

28 (d) The electric utility granting on-bill credit may not charge a subscribing customer a
29 fee or charge that would increase the subscribing customer's minimum monthly charge to
30 an amount greater than that of other customers in the same rate class as the subscribing
31 customer.

32 (3) An electric utility may charge a community net metering facility a fee to cover the
33 reasonable administrative expenses of providing on-bill credit. The fee adopted under this
34 subsection shall be adopted by rule by the commission, for a public utility, or the governing
35 body, for a municipal electric utility, electric cooperative or people's utility district.

36 (4) In order to mitigate an electric utility's administrative burden while maintaining ac-
37 cessibility for community net metering, the commission, for a public utility, or the governing
38 body, for a municipal electric utility, electric cooperative or people's utility district, may
39 adopt by rule limits on the minimum output of a community net metering facility assignable
40 to a subscribing customer.

41 (5) An electric utility shall make information on the extent of the electric utility's dis-
42 tribution systems available to its customers.

43 (6) This section does not obligate an electric utility to grant on-bill credit to subscribing
44 customers that are not served by the electric utility.

45 (7) A subscribing customer is the owner of a renewable energy certificate established

1 under ORS 469A.130 that is associated with a megawatt hour generated for that subscribing
2 customer by a community net metering facility.

3 (8) An entity that owns a community net metering facility:

4 (a) Is the entity eligible for any applicable state incentives, as identified by the State
5 Department of Energy;

6 (b) Is the entity responsible for paying interconnection costs and meter fees associated
7 with interconnecting the community net metering facility and the electric utility; and

8 (c) Is the entity responsible for tracking renewable energy certification available to sub-
9 scribing customers under subsection (7) of this section.

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

12 (10) Participation in community net metering as described in this section is not a pur-
13 chase of or an offer to purchase a security.

14 **SECTION 3.** (1) Until the Public Utility Commission, for a public utility, or the governing
15 body, for a municipal electric utility, electric cooperative or people's utility district, adopts
16 the fee authorized by section 2 (3) of this 2013 Act, an electric utility may charge a commu-
17 nity net metering facility a fee not to exceed \$400 plus \$10 per subscribing customer per year
18 for purposes described in section 2 (3) of this 2013 Act.

19 (2) Until the commission, for a public utility, or the governing body, for a municipal
20 electric utility, electric cooperative or people's utility district, adopts limits on the minimum
21 output of a community net metering facility assignable to a subscribing customer under
22 section 2 (4) of this 2013 Act, an electric utility may decline to offer on-bill credit for a pro-
23 portion of the output of a community net metering facility assignable to a subscribing cus-
24 tomer as long as the proportion of the output is expected to be less than two megawatt hours
25 per year.

26 _____