

House Bill 2796

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**.

Allows customer-generators to aggregate electricity generated by multiple net metering facilities if those net metering facilities are served by same electric utility.

Adds, for purposes of net metering, geothermal power to definition of "net metering facility."

A BILL FOR AN ACT

1
2 Relating to net metering; amending ORS 757.300.

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

4 **SECTION 1.** ORS 757.300 is amended to read:

5 757.300. (1) As used in this section:

6 (a) "Customer-generator" means a user of a net metering facility.

7 (b) "Electric utility" means a public utility, a people's utility district operating under ORS
8 chapter 261, a municipal utility operating under ORS chapter 225 or an electric cooperative organ-
9 ized under ORS chapter 62.

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

13 (d) "Net metering facility" means a facility for the production of electrical energy that:

14 (A) Generates electricity using solar power, wind power, **geothermal power**, fuel cells, hydro-
15 electric power, landfill gas, digester gas, waste, dedicated energy crops available on a renewable
16 basis or low-emission, nontoxic biomass based on solid organic fuels from wood, forest or field resi-
17 dues;

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 elec-
22 tricity.

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-

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 trict, may authorize an electric utility to assess a greater fee or charge, of any type, if the electric
2 utility's direct costs of interconnection and administration of the net metering outweigh the dis-
3 tribution system, environmental and public policy benefits of allocating such costs among the elec-
4 tric utility's entire customer base. The commission may authorize a public utility to assess a greater
5 fee or charge under this paragraph only following notice and opportunity for public comment. The
6 governing body of a municipal electric utility, electric cooperative or people's utility district may
7 assess a greater fee or charge under this paragraph only following notice and opportunity for com-
8 ment from the customers of the utility, cooperative or district.

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

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

14 (c) Except as provided in paragraph [(d)] (e) of this subsection, if a customer-generator feeds
15 back to an electric utility more electricity than the electric utility supplies the customer-generator
16 during a billing period, the electric utility may charge the minimum monthly charge described in
17 subsection (2) of this section but must credit the customer-generator for the excess kilowatt-hours
18 generated during the billing period. An electric utility may value the excess kilowatt-hours at the
19 avoided cost of the utility, as determined by the commission or the appropriate governing body. An
20 electric utility that values the excess kilowatt-hours at the avoided cost shall bear the cost of
21 measuring the excess kilowatt-hours, issuing payments and billing for the excess hours. The electric
22 utility also shall bear the cost of providing and installing additional metering to measure the reverse
23 flow of electricity.

24 **(d) If a customer-generator uses more than one net metering facility, and if those net**
25 **metering facilities are served by the same electric utility, the electric utility shall, upon re-**
26 **quest by the customer-generator, aggregate any excess kilowatt-hours credited under para-**
27 **graph (c) of this subsection and apply those kilowatt-hours against any net electricity for**
28 **which the customer-generator would otherwise be charged under paragraph (b) of this sub-**
29 **section. After applying the excess kilowatt-hours against the net electricity supplied, the**
30 **electric utility shall charge the customer-generator for the total net electricity that the**
31 **electric utility supplied during a billing period or credit the customer-generator for the total**
32 **excess kilowatt-hours generated during a billing period.**

33 [(d)] (e) For the billing cycle ending in March of each year, or on such other date as agreed to
34 by the electric utility and the customer-generator, any remaining unused kilowatt-hour credit accu-
35 mulated during the previous year shall be granted to the electric utility for distribution to customers
36 enrolled in the electric utility's low-income assistance programs, credited to the customer-generator
37 or dedicated for other use as determined by the commission, for a public utility, or the governing
38 body, for a municipal electric utility, electric cooperative or people's utility district, following notice
39 and opportunity for public comment.

40 (4)(a) A net metering facility shall meet all applicable safety and performance standards estab-
41 lished in the state building code. The standards shall be consistent with the applicable standards
42 established by the National Electrical Code, the Institute of Electrical and Electronics Engineers
43 and Underwriters Laboratories or other similarly accredited laboratory.

44 (b) Following notice and opportunity for public comment, the commission, for a public utility,
45 or the governing body, for a municipal electric utility, electric cooperative or people's utility dis-

1 trict, may adopt additional control and testing requirements for customer-generators to protect
 2 public safety or system reliability.

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

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

12 (6) The commission, for a public utility, or the governing body, for a municipal electric utility,
 13 electric cooperative or people's utility district, may not limit the cumulative generating capacity of
 14 solar, wind, **geothermal** fuel cell and microhydroelectric net metering systems to less than one-half
 15 of one percent of a utility's, cooperative's or district's historic single-hour peak load. After a cumu-
 16 lative limit of one-half of one percent has been reached, the obligation of a public utility, municipal
 17 electric utility, electric cooperative or people's utility district to offer net metering to a new
 18 customer-generator may be limited by the commission or governing body in order to balance the
 19 interests of retail customers. When limiting net metering obligations under this subsection, the
 20 commission or the governing body shall consider the environmental and other public policy benefits
 21 of net metering systems. The commission may limit net metering obligations under this subsection
 22 only following notice and opportunity for public comment. The governing body of a municipal elec-
 23 tric utility, electric cooperative or people's utility district may limit net metering obligations under
 24 this subsection only following notice and opportunity for comment from the customers of the utility,
 25 cooperative or district.

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

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

32 (9) Notwithstanding subsections (2) to (8) of this section, an electric utility serving fewer than
 33 25,000 customers in Oregon that has its headquarters located in another state and offers net me-
 34 tering services or a substantial equivalent offset against retail sales in that state shall be deemed
 35 to be in compliance with this section if the electric utility offers net metering services to its cus-
 36 tomers in Oregon in accordance with tariffs, schedules and other regulations promulgated by the
 37 appropriate authority in the state where the electric utility's headquarters are located.

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