

House Bill 2968

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**.

Limits amount of fee or charge that electric utility may impose on customer-generator for off-setting costs related to interconnection and administration.

Makes changes to provisions governing circumstances in which customer-generator feeds back to electric utility more electricity than electric utility supplies customer-generator.

Specifies that provisions governing net metering apply to nonresidential net metering facilities that have generating capacity of two megawatts or less.

Allows net metering facility to connect to electric utility's distribution system without anti-islanding equipment if net metering facility is certified as complying with UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems (January 2001).

A BILL FOR AN ACT

1
2 Relating to net metering; creating new provisions; and 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, fuel cells, hydroelectric power, landfill
15 gas, digester gas, waste, dedicated energy crops available on a renewable basis or low-emission,
16 nontoxic biomass based on solid organic fuels from wood, forest or field residues;

17 (B) Is located on the customer-generator's premises;

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

20 (D) Is intended primarily to offset part or all of the customer-generator's requirements for elec-
21 tricity.

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

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

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

27 (c) **Except as authorized by paragraph (d) of this subsection**, may not charge a customer-

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 generator a fee or charge that would increase the customer-generator's minimum monthly charge to
 2 an amount greater than that of other customers in the same rate class as the customer-generator.
 3 *[However,]*

4 **(d)(A) Subject to subparagraphs (B) and (C) of this paragraph,** the Public Utility Commis-
 5 sion, for a public utility, or the governing body, for a municipal electric utility, electric cooperative
 6 or people's utility district, may authorize an electric utility to assess a greater fee or charge, of any
 7 type, if the electric utility's direct costs of interconnection and administration of the net metering
 8 outweigh the distribution system, environmental and public policy benefits of allocating such costs
 9 among the electric utility's entire customer base.

10 **(B) A fee or charge assessed under this paragraph may not exceed:**

11 **(i) If the fee or charge is assessed on a monthly basis, five percent of the net metering**
 12 **facility's monthly energy offset, or an amount equal to the value of five percent of the net**
 13 **metering facility's monthly energy offset, as measured under subsection (3) of this section;**
 14 **or**

15 **(ii) If the fee or charge is assessed on a one-time basis, half of the net metering facility's**
 16 **estimated annual energy offset, or an amount equal to the value of half of the net metering**
 17 **facility's estimated annual energy offset, as measured under subsection (3) of this section.**

18 **(C)** The commission may authorize a public utility to assess a greater fee or charge under this
 19 paragraph only following notice and opportunity for public comment. The governing body of a mu-
 20 nicipal electric utility, electric cooperative or people's utility district may assess a greater fee or
 21 charge under this paragraph only following notice and opportunity for comment from the customers
 22 of the utility, cooperative or district.

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

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

28 **(c)** Except as provided in paragraph (d) of this subsection, if a customer-generator feeds back to
 29 an electric utility more electricity than the electric utility supplies the customer-generator during
 30 a billing period, the electric utility may charge the minimum monthly charge described in subsection
 31 *(2) of this section but must [credit the customer-generator for the excess kilowatt-hours generated*
 32 *during the billing period. An electric utility may value the excess kilowatt-hours at the avoided cost*
 33 *of the utility, as determined by the commission or the appropriate governing body. An electric utility*
 34 *that values the excess kilowatt-hours at the avoided cost shall bear the cost of measuring the excess*
 35 *kilowatt-hours, issuing payments and billing for the excess hours. The electric utility also shall bear*
 36 *the cost of providing and installing additional metering to measure the reverse flow of electricity.]*
 37 **carry forward the excess kilowatt-hours generated during the billing period to the subse-**
 38 **quent billing period for use by the customer-generator. Kilowatt-hours carried forward un-**
 39 **der this paragraph and not used by the customer-generator during a subsequent billing**
 40 **period must be carried forward until the end of the billing cycle described in paragraph (d)**
 41 **of this subsection. Excess kilowatt-hours credited to the customer-generator and used by the**
 42 **customer-generator during a subsequent billing period must be valued at the retail rate in**
 43 **effect for electricity during the billing period in which the excess electricity was generated.**

44 **(d)** For the billing cycle ending in March of each year, or on such other date as agreed to by
 45 the electric utility and the customer-generator, any remaining unused kilowatt-hour credit accumu-

1 lated during the previous year shall be granted to the electric utility for distribution to customers
 2 enrolled in the electric utility's low-income assistance programs, credited to the customer-generator
 3 or dedicated for other use as determined by the commission, for a public utility, or the governing
 4 body, for a municipal electric utility, electric cooperative or people's utility district, following notice
 5 and opportunity for public comment.

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

10 (b) Following notice and opportunity for public comment, the commission, for a public utility,
 11 or the governing body, for a municipal electric utility, electric cooperative or people's utility dis-
 12 trict, may adopt additional control and testing requirements for customer-generators to protect
 13 public safety or system reliability.

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

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

23 (6) The commission, for a public utility, or the governing body, for a municipal electric utility,
 24 electric cooperative or people's utility district, may not limit the cumulative generating capacity of
 25 solar, wind, fuel cell and microhydroelectric net metering systems to less than one-half of one per-
 26 cent of a utility's, cooperative's or district's historic single-hour peak load. After a cumulative limit
 27 of one-half of one percent has been reached, the obligation of a public utility, municipal electric
 28 utility, electric cooperative or people's utility district to offer net metering to a new customer-
 29 generator may be limited by the commission or governing body in order to balance the interests of
 30 retail customers. When limiting net metering obligations under this subsection, the commission or
 31 the governing body shall consider the environmental and other public policy benefits of net metering
 32 systems. The commission may limit net metering obligations under this subsection only following
 33 notice and opportunity for public comment. The governing body of a municipal electric utility,
 34 electric cooperative or people's utility district may limit net metering obligations under this sub-
 35 section only following notice and opportunity for comment from the customers of the utility, coop-
 36 erative or district.

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

40 (8) This section applies only to:

41 (a) **Residential** net metering facilities that have a generating capacity of 25 kilowatts or less,
 42 except that the commission by rule may provide for a higher limit for customers of a public
 43 utility[.]; **and**

44 (b) **Nonresidential net metering facilities that have a generating capacity of two mega-**
 45 **watts or less.**

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

7 **SECTION 2. An electric utility, as defined in ORS 757.300, shall allow a net metering fa-**
8 **cility, as defined in ORS 757.300, to connect to the electric utility's distribution system**
9 **without the need for additional anti-islanding equipment, such as a manual disconnect**
10 **switch, if the net metering facility is certified as complying with standards published in UL**
11 **1741 Inverters, Converters, and Controllers for Use in Independent Power Systems (January**
12 **2001).**

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