

Senate Bill 561

Sponsored by COMMITTEE ON BUSINESS AND TRANSPORTATION

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**.

Modifies provision authorizing tariff schedules for use by public utilities that provide energy resource measures to individual property owners or customers. Makes tariff schedules subject to approval by Public Utility Commission. Specifies energy resource measures that may be provided by public utilities.

Allows public utility to include in its rates costs prudently incurred in implementing energy efficiency or energy conservation programs.

A BILL FOR AN ACT

1
2 Relating to public utilities; creating new provisions; and amending ORS 757.247.

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

4 **SECTION 1.** ORS 757.247 is amended to read:

5 *757.247. [(1) The Public Utility Commission may authorize a public utility to file and place into*
6 *effect tariff schedules establishing rates or charges for renewable energy generation facilities, or for*
7 *energy conservation measures, services or payments, provided to individual property owners or cus-*
8 *tomers. Application of the schedule shall be subject to agreement between the public utility and the*
9 *property owner or customer receiving service at the time the renewable energy generation facilities or*
10 *conservation measures, services or payments are initially provided.]*

11 *[(2) A tariff schedule under this section may include provisions for the payment of the rates or*
12 *charges over a period of time and for the application of the payment obligation to successive property*
13 *owners or customers at the premises where the renewable energy generation facilities or conservation*
14 *measures or services were installed or performed or with respect to which the payments were made.]*

15 **(1) The Public Utility Commission may authorize a public utility to file and place into**
16 **effect a tariff schedule establishing rates or charges for the cost of energy resource meas-**
17 **ures provided to an individual property owner or customer pursuant to an agreement entered**
18 **into between the individual property owner or customer and the public utility. Energy re-**
19 **source measures provided under this section may include:**

20 **(a) The installation of renewable energy generation facilities on the property of property**
21 **owners or the premises of customers;**

22 **(b) The implementation of energy conservation measures, including measures that are**
23 **not cost-effective;**

24 **(c) The installation of equipment or devices or the implementation of measures that en-**
25 **able demand reduction, peak load reduction, improved integration of renewable energy gen-**
26 **eration or more effective utilization of energy resources;**

27 **(d) Loans for the purposes described in paragraphs (a) to (c) of this subsection; and**

28 **(e) Direct payments to third parties for the purposes described in paragraphs (a) to (c)**
29 **of this subsection.**

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 (2) Subject to the agreement entered into between the individual property owner or cus-
2 tomer and the public utility, a tariff schedule placed into effect under this section may in-
3 clude provisions for:

4 (a) The payment of the rates or charges over a period of time;

5 (b) Except as provided in subsection (5) of this section, a reasonable rate of return on
6 any investment made by the public utility;

7 (c) The application of any payment obligation to successive owners of the property to
8 which the energy resource measure is attached or to successive customers located at the
9 premises to which the energy resource measure is attached; and

10 (d) The application of the payment obligation to the current property owner or customer
11 alone, secured by methods agreed to by the property owner or customer and the public util-
12 ity.

13 (3) Application of a tariff schedule under this section is subject to approval by the com-
14 mission.

15 [3] (4) If a payment obligation applies to successive property owners or customers as
16 described in subsection (2)(c) of this section, a public utility shall record a notice of [any] the
17 payment obligation [required of a property owner or customer under this section] in the records
18 maintained by the county clerk under ORS 205.130. The commission may prescribe by rule other
19 methods by which the public utility shall notify property owners or customers of [any] such payment
20 [obligation] obligations.

21 [4] (5) A public utility may use moneys obtained through a rate established under ORS 757.603
22 (2)(a) to provide a renewable energy generation [facilities] facility to a property [owners or custom-
23 ers] owner or customer under this section. A public utility may not charge interest to a property
24 owner or customer for [facilities] a renewable energy generation facility acquired with moneys
25 obtained through a rate established under ORS 757.603 (2)(a).

26 (6) Agreements entered into and tariff schedules placed into effect under this section are
27 not subject to ORS 470.500 to 470.710, 757.612 or 757.689.

28 **SECTION 2.** Section 3 of this 2013 Act is added to and made a part of ORS chapter 757.

29 **SECTION 3.** (1) Subject to making a finding under subsection (2) of this section, the
30 Public Utility Commission shall allow a public utility to include in its rates costs incurred,
31 and to collect interest on any amounts invested by the public utility, in implementing energy
32 efficiency or energy conservation programs, to the extent that such costs are prudently in-
33 curred and such investments are prudently made.

34 (2)(a) The commission shall approve an energy efficiency or energy conservation program
35 proposed under this section if the commission finds, except as provided in paragraphs (b) and
36 (c) of this subsection, that the program is cost-effective, as defined by the commission by
37 rule, for the type of program proposed.

38 (b) An energy efficiency or energy conservation program is cost-effective if the program
39 is specifically designed for low-income natural gas customers and the program meets the
40 cost-effectiveness standard approved by the commission for the proposing public utility's
41 low-income weatherization program.

42 (c) An energy efficiency or energy conservation program is cost-effective if the program
43 is specifically designed for low-income electricity customers and the program meets the
44 cost-effectiveness standard utilized by the Housing and Community Services Department for
45 programs administered pursuant to ORS 757.612.

1 **(3) The commission may not use a public utility's failure to propose an energy efficiency**
2 **or energy conservation program under this section as the basis for finding that the public**
3 **utility did not prudently incur other lawfully authorized costs or for adjusting a public**
4 **utility's revenues.**

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