

Senate Bill 562

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**.

Directs electric utility to provide credit to subscribing customer that receives electric service within service territory of electric utility for electricity generated by community net metering facility under certain circumstances.

A BILL FOR AN ACT

1
2 Relating to electric utility operations; creating new provisions; and amending ORS 757.300.

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

4 **SECTION 1. Sections 2 and 4 of this 2013 Act are added to and made a part of ORS**
5 **chapter 757.**

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

7 (a) "Community net metering facility" means a facility located in this state for the pro-
8 duction of electrical energy that:

9 (A) Generates electricity using solar power, wind power, fuel cells, hydroelectric power,
10 landfill gas, digester gas, waste, dedicated energy crops available on a renewable basis or
11 low-emission, nontoxic biomass based on solid organic fuels from wood, forest or field resi-
12 dues, for which a subscribing customer receives credit as described in subsections (2) and (3)
13 of this section;

14 (B) Is interconnected to an electric utility;

15 (C) Can operate in parallel with an electric utility's existing transmission and distribution
16 facilities;

17 (D) Has a meter in place to monitor and measure the quantity of energy generated by
18 the facility; and

19 (E) Is intended primarily to offset part or all of a subscribing customer's requirements
20 for electricity.

21 (b) "Electric utility" means a public utility, a people's utility district operating under ORS
22 chapter 261, a municipal electric utility operating under ORS chapter 225 or an electric co-
23 operative organized under ORS chapter 62.

24 (c) "Subscribing customer" means a retail electricity consumer, or an aggregate of retail
25 electricity consumers, that receives credit as described in subsections (2) and (3) of this
26 section.

27 (2) An electric utility shall provide credit as described in subsection (3) of this section to
28 a subscribing customer that receives electric service within the service territory of the
29 electric utility for electricity generated by a community net metering facility that is inter-
30 connected to the electric utility if:

31 (a) The owner of the community net metering facility provides the electric utility with:

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 **(A) A single point of contact;**
- 2 **(B) A list, to be updated no more than one time per year, of all subscribing customers**
3 **that are to receive credits for electricity generated by the community net metering facility;**
- 4 **(C) The proportion or block of generated electricity assignable to each subscribing cus-**
5 **tomers; and**
- 6 **(D) A plan to maintain the efficiency of the community net metering facility; and**
- 7 **(b) The community net metering facility has a generating capacity of no less than 10**
8 **kilowatts and no greater than two megawatts, except that the Public Utility Commission, for**
9 **a public utility, or the governing body, for a municipal electric utility, electric cooperative**
10 **or people's utility district, may establish a generating capacity greater than two megawatts.**
- 11 **(3)(a) An electric utility shall credit a subscribing customer for the subscribing**
12 **customer's share of electricity generated by a community net metering facility:**
- 13 **(A) Except as provided in paragraph (b) of this subsection, by applying kilowatt-hour**
14 **credits to the subscribing customer's utility bill for the kilowatt-hours generated during the**
15 **billing period that are assignable to the subscribing customer; or**
- 16 **(B) If the electric utility is a municipal electric utility, electric cooperative or people's**
17 **utility district, by valuing the kilowatt-hours generated during the billing period that are**
18 **assignable to the subscribing customer at the avoided cost of the electric utility as deter-**
19 **mined by the governing body of the municipal electric utility, electric cooperative or people's**
20 **utility district.**
- 21 **(b) For the billing cycle ending in March of each year, or on such other date as agreed**
22 **to by the electric utility and a subscribing customer, any remaining unused kilowatt-hour**
23 **credit accumulated during the previous year for the subscribing customer shall be:**
- 24 **(A) Granted to the electric utility for distribution to customers enrolled in the electric**
25 **utility's low-income assistance programs;**
- 26 **(B) Credited to the subscribing customer; or**
- 27 **(C) Dedicated for other use as determined by the commission, for a public utility, or by**
28 **the governing body, for a municipal electric utility, electric cooperative or people's utility**
29 **district, following notice and comment.**
- 30 **(4) The commission, for a public utility, or the governing body, for a municipal electric**
31 **utility, electric cooperative or people's utility district, may limit the number of retail elec-**
32 **tricity consumers that subscribe to a community net metering facility under this section.**
- 33 **(5) The owner of a community net metering facility is responsible for interconnection**
34 **costs and meter fees established by the commission, for a public utility, or by the governing**
35 **body, for a municipal electric utility, electric cooperative or people's utility district.**
- 36 **(6) An electric utility may charge a community net metering facility a fee to cover the**
37 **reasonable administrative expenses incurred under this section. The fee charged under this**
38 **subsection shall be adopted by the commission, for a public utility, or by the governing body,**
39 **for a municipal electric utility, electric cooperative or people's utility district.**
- 40 **(7) The commission, for a public utility, or the governing body, for a municipal electric**
41 **utility, electric cooperative or people's utility district, may establish a limit for the cumula-**
42 **tive generating capacity of community net metering facilities.**
- 43 **(8)(a) Unless otherwise agreed to by contract, a subscribing customer is the owner of a**
44 **renewable energy certificate established under ORS 469A.130 that is associated with energy**
45 **generated for that subscribing customer by a community net metering facility.**

1 **(b) The owner of a community net metering facility is responsible for determining the**
 2 **share of renewable energy certificates assignable to each subscribing customer under this**
 3 **subsection.**

4 **(9) The owner of a community net metering facility is eligible for expenditures under ORS**
 5 **757.612 (3)(b)(B).**

6 **(10) A community net metering facility and a subscribing customer are not public utili-**
 7 **ties, as defined in ORS 757.005, for purposes of this section.**

8 **SECTION 3. Until the Public Utility Commission, for a public utility, or the governing**
 9 **body, for a municipal electric utility, electric cooperative or people’s utility district, adopts**
 10 **the fee authorized by section 2 (6) of this 2013 Act, an electric utility may charge a commu-**
 11 **nity net metering facility a fee not to exceed \$400 plus \$10 per subscribing customer per year**
 12 **for purposes described in section 2 (6) of this 2013 Act.**

13 **SECTION 4. The Public Utility Commission, for a public utility, or the governing body,**
 14 **for a municipal electric utility, electric cooperative or people’s utility district, may not limit**
 15 **the cumulative generating capacity of solar, wind, fuel cell and microhydroelectric net me-**
 16 **tering and community net metering systems described in ORS 757.300 and section 2 of this**
 17 **2013 Act to less than one-half of one percent of a utility’s, cooperative’s or district’s historic**
 18 **single-hour peak load. After a cumulative limit of one-half of one percent has been reached,**
 19 **the obligation of a public utility, municipal electric utility, electric cooperative or people’s**
 20 **utility district to offer net metering or community net metering to a new customer-**
 21 **generator may be limited by the commission or governing body in order to balance the in-**
 22 **terests of retail customers. When limiting net metering or community net metering**
 23 **obligations under this section, the commission or the governing body shall consider the en-**
 24 **vironmental and other public policy benefits of net metering and community net metering**
 25 **systems. The commission may limit net metering and community net metering obligations**
 26 **under this subsection only following notice and opportunity for public comment. The gov-**
 27 **erning body of a municipal electric utility, electric cooperative or people’s utility district may**
 28 **limit net metering and community net metering obligations under this section only following**
 29 **notice and opportunity for comment from the customers of the utility, cooperative or dis-**
 30 **trict.**

31 **SECTION 5. ORS 757.300 is amended to read:**

32 757.300. (1) As used in this section:

33 (a) “Customer-generator” means a user of a net metering facility.

34 (b) “Electric utility” means a public utility, a people’s utility district operating under ORS
 35 chapter 261, a municipal utility operating under ORS chapter 225 or an electric cooperative organ-
 36 ized under ORS chapter 62.

37 (c) “Net metering” means measuring the difference between the electricity supplied by an elec-
 38 tric utility and the electricity generated by a customer-generator and fed back to the electric utility
 39 over the applicable billing period.

40 (d) “Net metering facility” means a facility for the production of electrical energy that:

41 (A) Generates electricity using solar power, wind power, fuel cells, hydroelectric power, landfill
 42 gas, digester gas, waste, dedicated energy crops available on a renewable basis or low-emission,
 43 nontoxic biomass based on solid organic fuels from wood, forest or field residues;

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

45 (C) Can operate in parallel with an electric utility’s existing transmission and distribution fa-

1 cilities; and

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

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

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

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

9 (c) May not charge a customer-generator a fee or charge that would increase the customer-
10 generator's minimum monthly charge to an amount greater than that of other customers in the same
11 rate class as the customer-generator. However, the Public Utility Commission, for a public utility,
12 or the governing body, for a municipal electric utility, electric cooperative or people's utility dis-
13 trict, may authorize an electric utility to assess a greater fee or charge, of any type, if the electric
14 utility's direct costs of interconnection and administration of the net metering outweigh the dis-
15 tribution system, environmental and public policy benefits of allocating such costs among the elec-
16 tric utility's entire customer base. The commission may authorize a public utility to assess a greater
17 fee or charge under this paragraph only following notice and opportunity for public comment. The
18 governing body of a municipal electric utility, electric cooperative or people's utility district may
19 assess a greater fee or charge under this paragraph only following notice and opportunity for com-
20 ment from the customers of the utility, cooperative or district.

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

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

26 (c) Except as provided in paragraph (d) of this subsection, if a customer-generator feeds back to
27 an electric utility more electricity than the electric utility supplies the customer-generator during
28 a billing period, the electric utility may charge the minimum monthly charge described in subsection
29 (2) of this section but must credit the customer-generator for the excess kilowatt-hours generated
30 during the billing period. An electric utility may value the excess kilowatt-hours at the avoided cost
31 of the utility, as determined by the commission or the appropriate governing body. An electric utility
32 that values the excess kilowatt-hours at the avoided cost shall bear the cost of measuring the excess
33 kilowatt-hours, issuing payments and billing for the excess hours. The electric utility also shall bear
34 the cost of providing and installing additional metering to measure the reverse flow of electricity.

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

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

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

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

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

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

27 [(7)] (6) The commission or the governing body may adopt rules or ordinances to ensure that the
28 obligations and costs associated with net metering apply to all power suppliers within the service
29 territory of a public utility, municipal electric utility, electric cooperative or people's utility district.

30 [(8)] (7) This section applies only to net metering facilities that have a generating capacity of
31 25 kilowatts or less, except that the commission by rule may provide for a higher limit for customers
32 of a public utility.

33 [(9)] (8) Notwithstanding subsections (2) to [(8)] (7) of this section, an electric utility serving
34 fewer than 25,000 customers in Oregon that has its headquarters located in another state and offers
35 net metering services or a substantial equivalent offset against retail sales in that state shall be
36 deemed to be in compliance with this section if the electric utility offers net metering services to
37 its customers in Oregon in accordance with tariffs, schedules and other regulations promulgated by
38 the appropriate authority in the state where the electric utility's headquarters are located.

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