

**PROPOSED AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 2435**

1 On page 1 of the printed A-engrossed bill, line 2, after “319.530” insert  
2 “and 757.300”.

3 Delete lines 19 and 20 and insert:

4 “(b) The exemption provided under paragraph (a) of this subsection does  
5 not apply to fuel:

6 “(A) Used in motor vehicles that have a gross vehicle weight rating of  
7 26,001 pounds or more;

8 “(B) That is not sold in retail operations; or

9 “(C) That is sold in operations involving fleet fueling or bulk sales.”.

10 Delete lines 23 through 26.

11 On page 2, delete lines 1 through 12 and insert:

12 “**SECTION 3.** ORS 319.530, as amended by section 1 of this 2013 Act, is  
13 amended to read:

14 “319.530. (1) To compensate this state partially for the use of its highways,  
15 an excise tax hereby is imposed at the rate of 30 cents per gallon on the use  
16 of fuel in a motor vehicle.

17 “(2) Except as otherwise provided in subsections (3) and (4) of this sec-  
18 tion, 100 cubic feet of fuel used or sold in a gaseous state, measured at 14.73  
19 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at  
20 the same rate as a gallon of liquid fuel.

21 “(3) One hundred twenty cubic feet of compressed natural gas used or sold  
22 in a gaseous state, measured at 14.73 pounds per square inch of pressure at

1 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

2 “(4) One and three-tenths liquid gallons of propane at 60 degrees  
3 Fahrenheit is taxable at the same rate as a gallon of other liquid fuel.

4 “[5)(a) *Except as provided in paragraph (b) of this subsection, the excise*  
5 *tax imposed under subsection (1) of this section does not apply to diesel fuel*  
6 *blended with a minimum of 20 percent biodiesel that is derived from used*  
7 *cooking oil.*]

8 “[b) *The exemption provided under paragraph (a) of this subsection does*  
9 *not apply to fuel.*:]

10 “[A) *Used in motor vehicles that have a gross vehicle weight rating of*  
11 *26,001 pounds or more;*]

12 “[B) *That is not sold in retail operations; or*]

13 “[C) *That is sold in operations involving fleet fueling or bulk sales.*]”.

14 After line 14, insert:

15 **“SECTION 5.** ORS 757.300 is amended to read:

16 “757.300. (1) As used in this section:

17 “(a) ‘Customer-generator’ means a user of a net metering facility.

18 “(b) ‘Electric utility’ means a public utility, a people’s utility district op-  
19 erating under ORS chapter 261, a municipal utility operating under ORS  
20 chapter 225 or an electric cooperative organized under ORS chapter 62.

21 “(c) ‘Net metering’ means measuring the difference between the electricity  
22 supplied by an electric utility and the electricity generated by a customer-  
23 generator and fed back to the electric utility over the applicable billing pe-  
24 riod.

25 “(d) ‘Net metering facility’ means a facility for the production of elec-  
26 trical energy that:

27 “(A) Generates electricity using:

28 “(i) Solar power[,];

29 “(ii) Wind power[,];

30 “(iii) Fuel cells[,];

1       “(iv) Hydroelectric power[,];  
2       “(v) Landfill gas[,];  
3       “(vi) Digester gas[,];  
4       “(vii) Waste[,];  
5       “(viii) Dedicated energy crops available on a renewable basis [*or*];  
6       “(ix) Low-emission, nontoxic biomass based on solid organic fuels from  
7 wood, forest or field residues; **or**  
8       “(x) **Geothermal energy**;  
9       “(B) Is located on the customer-generator’s premises;  
10       “(C) Can operate in parallel with an electric utility’s existing trans-  
11 mission and distribution facilities; and  
12       “(D) Is intended primarily to offset part or all of the customer-generator’s  
13 requirements for electricity.  
14       “(2) An electric utility that offers residential and commercial electric  
15 service:  
16       “(a) Shall allow net metering facilities to be interconnected using a  
17 standard meter that is capable of registering the flow of electricity in two  
18 directions.  
19       “(b) May at its own expense install one or more additional meters to  
20 monitor the flow of electricity in each direction.  
21       “(c) May not charge a customer-generator a fee or charge that would in-  
22 crease the customer-generator’s minimum monthly charge to an amount  
23 greater than that of other customers in the same rate class as the  
24 customer-generator. However, the Public Utility Commission, for a public  
25 utility, or the governing body, for a municipal electric utility, electric coop-  
26 erative or people’s utility district, may authorize an electric utility to assess  
27 a greater fee or charge, of any type, if the electric utility’s direct costs of  
28 interconnection and administration of the net metering outweigh the dis-  
29 tribution system, environmental and public policy benefits of allocating such  
30 costs among the electric utility’s entire customer base. The commission may

1 authorize a public utility to assess a greater fee or charge under this para-  
2 graph only following notice and opportunity for public comment. The gov-  
3 erning body of a municipal electric utility, electric cooperative or people's  
4 utility district may assess a greater fee or charge under this paragraph only  
5 following notice and opportunity for comment from the customers of the  
6 utility, cooperative or district.

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

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

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

26 “(d) For the billing cycle ending in March of each year, or on such other  
27 date as agreed to by the electric utility and the customer-generator, any re-  
28 maining unused kilowatt-hour credit accumulated during the previous year  
29 shall be granted to the electric utility for distribution to customers enrolled  
30 in the electric utility's low-income assistance programs, credited to the

1 customer-generator or dedicated for other use as determined by the commis-  
2 sion, for a public utility, or the governing body, for a municipal electric  
3 utility, electric cooperative or people’s utility district, following notice and  
4 opportunity for public comment.

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

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

15 “(c) An electric utility may not require a customer-generator whose net  
16 metering facility meets the standards in paragraphs (a) and (b) of this sub-  
17 section to comply with additional safety or performance standards, perform  
18 or pay for additional tests or purchase additional liability insurance. How-  
19 ever, an electric utility shall not be liable directly or indirectly for permit-  
20 ting or continuing to allow an attachment of a net metering facility, or for  
21 the acts or omissions of the customer-generator that cause loss or injury,  
22 including death, to any third party.

23 “(5) Nothing in this section is intended to prevent an electric utility from  
24 offering, or a customer-generator from accepting, products or services related  
25 to the customer-generator’s net metering facility that are different from the  
26 net metering services described in this section.

27 “(6) The commission, for a public utility, or the governing body, for a  
28 municipal electric utility, electric cooperative or people’s utility district,  
29 may not limit the cumulative generating capacity of solar, wind,  
30 **geothermal**, fuel cell and microhydroelectric net metering systems to less

1 than one-half of one percent of a utility's, cooperative's or district's historic  
2 single-hour peak load. After a cumulative limit of one-half of one percent has  
3 been reached, the obligation of a public utility, municipal electric utility,  
4 electric cooperative or people's utility district to offer net metering to a new  
5 customer-generator may be limited by the commission or governing body in  
6 order to balance the interests of retail customers. When limiting net meter-  
7 ing obligations under this subsection, the commission or the governing body  
8 shall consider the environmental and other public policy benefits of net me-  
9 tering systems. The commission may limit net metering obligations under  
10 this subsection only following notice and opportunity for public comment.  
11 The governing body of a municipal electric utility, electric cooperative or  
12 people's utility district may limit net metering obligations under this sub-  
13 section only following notice and opportunity for comment from the cus-  
14 tomers of the utility, cooperative or district.

15 “(7) The commission or the governing body may adopt rules or ordinances  
16 to ensure that the obligations and costs associated with net metering apply  
17 to all power suppliers within the service territory of a public utility, mu-  
18 nicipal electric utility, electric cooperative or people's utility district.

19 “(8) This section applies only to net metering facilities that have a gen-  
20 erating capacity of 25 kilowatts or less, except that the commission by rule  
21 may provide for a higher limit for customers of a public utility.

22 “(9) Notwithstanding subsections (2) to (8) of this section, an electric  
23 utility serving fewer than 25,000 customers in Oregon that has its head-  
24 quarters located in another state and offers net metering services or a sub-  
25 stantial equivalent offset against retail sales in that state shall be deemed  
26 to be in compliance with this section if the electric utility offers net meter-  
27 ing services to its customers in Oregon in accordance with tariffs, schedules  
28 and other regulations promulgated by the appropriate authority in the state  
29 where the electric utility's headquarters are located.”.

30 In line 15, delete “5” and insert “6”.

