

# D R A F T

## SUMMARY

Extends enrollment period for solar energy pilot programs for retail electricity consumers to March 31, 2020.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

Relating to development of solar energy systems; amending ORS 757.365; and declaring an emergency.

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

**SECTION 1.** ORS 757.365 is amended to read:

757.365. (1) The Public Utility Commission shall establish a pilot program for each electric company to demonstrate the use and effectiveness of volumetric incentive rates and payments for electricity or *[for]* the nonenergy attributes of electricity, or **for** both, from solar photovoltaic energy systems that are permanently installed in this state by retail electricity consumers and that first become operational after the program begins. The cumulative nameplate capacity of the qualifying systems enrolled in all of the pilot programs may not exceed 27.5 megawatts of alternating current. Qualifying systems enrolled in *[the]* **a** pilot program may not have nameplate generating capacity greater than 500 kilowatts.

(2) The commission by rule shall adopt requirements for the pilot programs described in subsection (1) of this section. Each electric company shall file for commission approval tariff schedules for the pilot programs that conform to the requirements.

(3) The commission may establish incentive rates for the pilot programs

1 to enable the development of the most efficient solar photovoltaic energy  
2 systems.

3 (4) A retail electricity consumer participating in a pilot program may re-  
4 ceive payments based on electricity generated from solar photovoltaic energy  
5 system output for 15 years from the **retail electricity** consumer's date of  
6 enrollment in the program, at rates or through a rate formula **set forth** in  
7 a tariff schedule established at the time of enrollment, or at rates otherwise  
8 established at the time of enrollment. The **retail electricity** consumer  
9 thereafter may receive payments based upon electricity generated from the  
10 qualifying system at a rate equal to the resource value.

11 (5) The commission may adjust the tariff schedule as needed for new pilot  
12 program participants for the purpose of meeting the goal established in sub-  
13 section (1) of this section. Once a retail electricity consumer is enrolled in  
14 a program, the rates or rate formula for determining payments to the **retail**  
15 **electricity** consumer may not be modified.

16 (6) The commission may adopt and adjust a percentage goal for [*capacity*  
17 *deployed*] **electricity generated** by residential and small commercial quali-  
18 fying systems based upon the costs of the energy generated, the feasibility  
19 of attaining the goal and other factors. For purposes of attaining the goal  
20 described in this subsection, the commission shall require 2.5 megawatts of  
21 alternating current from the cumulative nameplate capacity of qualifying  
22 systems to be generated by individual systems with a nameplate generating  
23 capacity between five and 100 kilowatts.

24 (7) The commission may establish total generator nameplate capacity  
25 limits for an electric company so that the rate impact of the pilot program  
26 for [*any*] a customer class does not exceed 0.25 percent of the electric  
27 company's revenue requirement for the **customer** class in any year.

28 (8) Ownership of renewable energy certificates established under ORS  
29 469A.130 that are associated with renewable energy generation under the  
30 pilot programs must be transferred to the electric company and may be used  
31 to comply with the renewable portfolio standard described in ORS 469A.052

1 or 469A.055.

2 (9) To the extent that rates paid under a pilot program exceed the re-  
3 source value, qualifying systems participating in the pilot programs are not  
4 eligible for expenditures under ORS 757.612 (3)(b)(B) or tax credits under  
5 ORS 469B.100 to 469B.118 or 469B.130 to 469B.169.

6 (10) All prudently incurred costs associated with compliance with this  
7 section are recoverable in the rates of an electric company.

8 (11) The commission shall advise and assist the owners and operators of  
9 qualifying systems in identifying and using grants, incentive moneys, federal  
10 funding and other sources of noninvestment financial support for the con-  
11 struction and operation of qualifying systems.

12 (12) The pilot programs described in subsection (1) of this section close  
13 to new participants on the earlier of:

14 (a) March 31, [2016] **2020**; or

15 (b) The date the cumulative nameplate capacity of solar photovoltaic en-  
16 ergy systems that have been permanently installed by retail electricity con-  
17 sumers under the pilot programs equals 27.5 megawatts of alternating  
18 current.

19 (13) The commission shall submit a report to the Legislative Assembly by  
20 January 1 of each odd-numbered year. The report must evaluate the effec-  
21 tiveness of the pilot programs described in subsection (1) of this section  
22 compared to the effectiveness of expenditures under ORS 757.612 (3)(b)(B) or  
23 tax credits under ORS 469B.100 to 469B.118 or 469B.130 to 469B.169 for pro-  
24 moting the use of solar photovoltaic energy systems and reducing system  
25 costs. The report must also estimate the cost of the program to retail elec-  
26 tricity consumers and the resource value of solar energy.

27 **SECTION 2. This 2015 Act being necessary for the immediate pres-**  
28 **ervation of the public peace, health and safety, an emergency is de-**  
29 **clared to exist, and this 2015 Act takes effect on its passage.**

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