

STAFF MEASURE SUMMARY

CARRIER: Sen. Beyer

Senate Committee On Business and Transportation

Fiscal: Has minimal fiscal impact**Revenue:** No Revenue Impact**Action Date:** 06/03/15**Action:** Do Pass With Amendments To The A-Eng Bill. (Printed B-Eng.)**Meeting Dates:** 05/20, 06/03**Vote:**

Yeas: 3 - Girod, Monroe, Riley

Nays: 1 - Thomsen

Exc: 1 - Beyer

Prepared By: James LaBar, Committee Administrator**WHAT THE MEASURE DOES:**

Requires electric company to provide portfolio of rate options to residential electricity consumer that includes option for electricity associated with specific renewable energy resource, including solar photovoltaic, if Public Utility Commission (PUC) finds through public comment or market research conducted by electric company that demand is sufficient. Directs PUC to evaluate programs to incentivize development and use of solar photovoltaic energy systems and submit report to Legislature that recommends most effective, efficient and equitable approach to incentive programs and, for each program, recommendation on whether program should be discontinued, modified, extended or remain unchanged. Lists factors PUC must consider in developing recommendations, including costs and benefits for each program. Requires report be submitted to interim legislative committee related to energy on or before September 15, 2016. Requires PUC to hold public proceeding for examining a range of community solar programs and the attributes of those program designs that allow individual customers to share in the costs and benefits of the solar facilities. Details program attributes to include ownership structure, eligibility criteria, length and terms of contracts, subscription pricing and how bill credits are calculated. Directs PUC to consider individual ratepayer access to a specific solar resource, costs to community solar program subscribers and non-subscribers, role of utilities and any other reasonable consideration. Directs PUC to recommend a particular community solar program design or set of attributes that best balances the resource value benefits, costs and risks to ratepayers to the interim committees of the Legislative Assembly before November 1, 2015. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Importance of evaluating costs and benefits of all solar programs
- Various definitions of community solar and best applicable program for Oregon

EFFECT OF COMMITTEE AMENDMENT:

Modifies PUC's report evaluating programs identified by the commission that incentivize the development and use of solar photovoltaic energy systems to include the costs and benefits of each program that incentivizes the development and use of solar photovoltaic energy systems. Requires PUC to hold public proceeding for examining a range of community solar programs and the attributes of those program designs that allow individual customers to share in the costs and benefits of the solar facilities. Details program attributes to include ownership structure, eligibility criteria, length and terms of contracts, subscription pricing and how bill credits are calculated. Directs PUC to consider during proceeding individual ratepayer access to a specific solar resource, costs to community solar program subscribers and non-subscribers, role of utilities and any other reasonable consideration. Directs PUC to recommend a particular community solar program design or set of attributes that best balances the resource value

benefits, costs and risks to ratepayers to the interim committees of the Legislative Assembly before November 1, 2015.

BACKGROUND:

Solar photovoltaic (solar PV) systems convert sunlight directly into current that can be used to meet the electricity needs of homes and businesses. Oregon offers a variety of programs to encourage the development of solar PV systems, including net metering, utility incentives, feed-in tariffs, solar capacity standards and state tax credits.

House Bill 2941B requires electric companies to provide a portfolio of rate options to their residential customers that includes an option for electricity associated with specific renewable energy resource, including solar PV systems. The measure also directs the Public Utility Commission to evaluate solar incentive programs and report program recommendations back to the Legislature before September 15, 2016.

House Bill 2941B also requires PUC to hold public proceeding for examining a range of community solar programs and provide recommendations to interim committees of the Legislative Assembly before November 1, 2015.