

# Senate Bill 887

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**.

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

1  
2 Relating to development of solar energy systems; amending ORS 757.365; and declaring an emer-  
3 gency.

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

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

6 757.365. (1) The Public Utility Commission shall establish a pilot program for each electric  
7 company to demonstrate the use and effectiveness of volumetric incentive rates and payments for  
8 electricity or [*for*] the nonenergy attributes of electricity, or **for** both, from solar photovoltaic en-  
9 ergy systems that are permanently installed in this state by retail electricity consumers and that  
10 first become operational after the program begins. The cumulative nameplate capacity of the quali-  
11 fying systems enrolled in all of the pilot programs may not exceed 27.5 megawatts of alternating  
12 current. Qualifying systems enrolled in [*the*] a pilot program may not have nameplate generating  
13 capacity greater than 500 kilowatts.

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

17 (3) The commission may establish incentive rates for the pilot programs to enable the develop-  
18 ment of the most efficient solar photovoltaic energy systems.

19 (4) A retail electricity consumer participating in a pilot program may receive payments based  
20 on electricity generated from solar photovoltaic energy system output for 15 years from the **retail**  
21 **electricity** consumer's date of enrollment in the program, at rates or through a rate formula **set**  
22 **forth** in a tariff schedule established at the time of enrollment, or at rates otherwise established  
23 at the time of enrollment. The **retail electricity** consumer thereafter may receive payments based  
24 upon electricity generated from the qualifying system at a rate equal to the resource value.

25 (5) The commission may adjust the tariff schedule as needed for new pilot program participants  
26 for the purpose of meeting the goal established in subsection (1) of this section. Once a retail elec-  
27 tricity consumer is enrolled in a program, the rates or rate formula for determining payments to the  
28 **retail electricity** consumer may not be modified.

29 (6) The commission may adopt and adjust a percentage goal for [*capacity deployed*] **electricity**  
30 **generated** by residential and small commercial qualifying systems based upon the costs of the en-  
31 ergy generated, the feasibility of attaining the goal and other factors. For purposes of attaining the

**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 goal described in this subsection, the commission shall require 2.5 megawatts of alternating current  
 2 from the cumulative nameplate capacity of qualifying systems to be generated by individual systems  
 3 with a nameplate generating capacity between five and 100 kilowatts.

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

7 (8) Ownership of renewable energy certificates established under ORS 469A.130 that are asso-  
 8 ciated with renewable energy generation under the pilot programs must be transferred to the elec-  
 9 tric company and may be used to comply with the renewable portfolio standard described in ORS  
 10 469A.052 or 469A.055.

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

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

16 (11) The commission shall advise and assist the owners and operators of qualifying systems in  
 17 identifying and using grants, incentive moneys, federal funding and other sources of noninvestment  
 18 financial support for the construction and operation of qualifying systems.

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

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

22 (b) The date the cumulative nameplate capacity of solar photovoltaic energy systems that have  
 23 been permanently installed by retail electricity consumers under the pilot programs equals 27.5  
 24 megawatts of alternating current.

25 (13) The commission shall submit a report to the Legislative Assembly by January 1 of each  
 26 odd-numbered year. The report must evaluate the effectiveness of the pilot programs described in  
 27 subsection (1) of this section compared to the effectiveness of expenditures under ORS 757.612  
 28 (3)(b)(B) or tax credits under ORS 469B.100 to 469B.118 or 469B.130 to 469B.169 for promoting the  
 29 use of solar photovoltaic energy systems and reducing system costs. The report must also estimate  
 30 the cost of the program to retail electricity consumers and the resource value of solar energy.

31 **SECTION 2. This 2015 Act being necessary for the immediate preservation of the public**  
 32 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**  
 33 **on its passage.**

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