

78th Oregon Legislative Assembly - 2016 Regular Session

STAFF MEASURE SUMMARY

Senate Committee On Business and Transportation

Fiscal: No fiscal impact

Revenue: No Revenue Impact

Action Date: 02/10/16

Action: Do Pass With Different Amendments. (Printed A-Eng.) Minority

Meeting Dates: 02/03, 02/08, 02/10

Signers of the Report: Sen. Fred Girod, Sen. Chuck Thomsen

Prepared By: Patrick Brennan, Committee Administrator

WHAT THE MEASURE DOES:

Specifies that hydroelectric facilities and equipment and energy generated by hydroelectric facilities or equipment may be used to comply with the renewable portfolio standard. Specifies that electricity generated from hydrogen gas may be used to comply with the renewable portfolio standard if the hydrogen is derived from renewable sources. Directs the Public Utility Commission to establish a program for the procurement of electricity from community solar projects. Establishes guidelines for program implementation and qualifications for community solar projects. Requires the Commission to report on implementation of the program to interim legislative committees related to business and energy on or before January 1, 2019.

ISSUES DISCUSSED:

- Situations where community solar projects might be developed
- Already being done in other states
- Number of participants in, and output of, community solar projects
- Proposed amendment related to hydropower and the renewable portfolio standard

EFFECT OF MINORITY AMENDMENT:

Adds “project manager” to definition of “owner” in section 1(1)(c). Modifies definition of “subscriber” to include those with an interest in part of a community solar project. Adds definition of “unsubscribed electricity.” Deletes specification that program must incentivize consumers that do not have the ability to install photovoltaic energy systems on their own property. Requires project manager in a power purchase agreement to be compensated. Deletes provisions related to making generating capacity available to low-income residential customers. Specifies that electricity procured by an electric company through a power purchase agreement in the measure may be used to comply with the renewable portfolio standard under ORS 469A.052. Specifies that hydroelectric facilities and equipment and energy generated by hydroelectric facilities or equipment may be used to comply with the renewable portfolio standard. Specifies that electricity generated from hydrogen gas may be used to comply with the renewable portfolio standard if the hydrogen is derived from renewable sources.

BACKGROUND:

With enactment of Senate Bill 838 (2007), the Legislative Assembly created the renewable portfolio standard (RPS), which requires that the largest utilities in Oregon provide 25 percent of their retail sales of electricity from newer, clean, renewable sources of energy by 2025; smaller utilities have similar, but lesser, obligations. Applicable sources included certain low-impact hydroelectric facilities that were built after 1995 and older facilities that had been upgraded since 1995 (with only the portion of electricity generation attributable to Oregon’s share of electricity counting against the RPS).

Community renewable energy projects include those where community members pool their investments and benefits into renewable energy development. The term “community solar” refers to an arrangement where a solar-electric (photovoltaic) system is owned, in whole or in part, by community members who share either the energy itself or its monetary value on the market. A community solar model allows residents who do not own property amenable to photovoltaic infrastructure, such as apartment owners or homeowners with shaded properties, to invest in such infrastructure.

Senate Bill 1572-A (minority) specifies that all hydroelectric facilities and equipment, and the energy they generate, may be counted for compliance with the renewable portfolio standard. The measure also directs the Public Utility Commission (PUC)

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to establish a program that creates incentives for residential and small commercial consumers of electricity, but who lack the ability to install photovoltaic systems on their own property, to be owners or subscribers in a community solar project.