

HOUSE AMENDMENTS TO HOUSE BILL 4036

By COMMITTEE ON ENERGY AND ENVIRONMENT

February 11

- 1 On page 2 of the printed bill, line 14, delete “all” and insert “the”.
2 In line 21, after “decommissioning” insert “or remediation”.
3 On page 4, line 39, delete “by” and insert “from a renewable energy source that becomes oper-
4 ational on or before the effective date of this 2016 Act, or for”.
5 Delete lines 40 and 41.
6 In line 43, delete “by” and insert “from”.
7 On page 5, line 7, delete the first “by” and insert “from” and after “that” delete the rest of the
8 line and line 8 and insert “becomes operational between”.
9 In line 11, delete “by” and insert “from”.
10 In line 18, delete the first “by” and insert “from” and after “that” delete the rest of the line and
11 insert “becomes operational between”.
12 Delete line 19.
13 In line 22, delete “by” and insert “from”.
14 In line 31, delete “by” and insert “from”.
15 On page 7, line 8, delete “(5)” and insert “(5)(a)” and delete “an electric company” and insert
16 “another electric utility”.
17 In line 9, delete “electric company” and insert “electric utility from which service territory was
18 acquired”.
19 In line 10, after the first “the” insert “acquiring”.
20 In line 11, delete “electric company” and insert “electric utility from which service territory
21 was acquired”.
22 After line 12, insert:
23 “(b) Nothing in this subsection authorizes the acquisition of service territory of a people’s utility
24 district organized under ORS chapter 261 by a municipal electric utility.”.
25 After line 41, insert:
26 **“SECTION 6a. As used in ORS 469A.005 to 469A.210, ‘acquires service territory’ does not**
27 **include an acquisition by a city of a facility, plant, equipment or service territory within the**
28 **boundaries of the city pursuant to ORS 225.020 or city charter, if the city:**
29 **“(1) Already owns, controls or operates an electric light and power system for supplying**
30 **electricity to the inhabitants of the city and for general municipal purposes;**
31 **“(2) Provides fair, just and reasonable compensation to the electric company whose ter-**
32 **ritory is acquired that:**
33 **“(a) Gives consideration for the cost of the facility, plant, equipment or service territory**
34 **acquired, and for depreciation, fair market value, reproduction cost and any other relevant**
35 **factor; and**

1 **“(b) Is based on the present value of the facility, plant, equipment or service territory**
2 **acquired, including the value of poles, wires, transformers and similar and related appliances**
3 **necessarily required to provide electric service; and**

4 **“(3) Pays any stranded costs obligation established pursuant to section 14 of this 2016**
5 **Act.”.**

6 On page 8, line 16, delete “for” and insert “with”.

7 In line 17, delete “acquired” and insert “associated”.

8 In line 34, delete “acquired for” and insert “associated with”.

9 In line 38, delete “acquired for” and insert “associated with”.

10 On page 9, lines 6 through 8, restore the bracketed material and delete the boldfaced material.

11 Delete line 45.

12 On page 10, delete lines 1 through 7 and insert:

13 **“SECTION 11.** (1) Upon its own motion or at the request of an electric company, the Public
14 Utility Commission may open an investigation to determine whether an electric company’s compli-
15 ance with one or more of the requirements of ORS 469A.052 is likely to result in conflicts with or
16 compromises to the electric company’s obligation to comply with the mandatory and enforceable
17 reliability standards of the North American Electric Reliability Corporation. An electric company
18 making a request under this subsection must submit an application to the commission that
19 includes:”.

20 In line 14, after the first “the” insert “mandatory and enforceable”.

21 In line 18, after the first “the” insert “mandatory and enforceable”.

22 In line 20, after “(a)” insert “Notwithstanding ORS 469A.052,”.

23 In line 35, delete “made in a form and manner pre-”.

24 In line 36, delete “scribed by the Public Utility Commission, the commission” and insert “the
25 Public Utility Commission”.

26 On page 11, line 11, after “(2)” insert “Upon the request of an electric company,”.

27 In line 22, delete “shall” and insert “may”.

28 On page 12, line 6, after “may” insert “annually”.

29 In line 18, delete “quality” and insert “benefits”.

30 In line 22, delete “quality” and insert “benefits”.

31 Delete lines 23 through 27 and insert:

32 **“(3) For the purpose of ensuring prudent investments by an electric company in energy effi-**
33 **ciency and demand response before the electric company acquires new generating resources, and in**
34 **order to produce cost-effective energy savings, reduce customer demand for energy, reduce overall**
35 **electrical system costs, increase the public health and safety and improve environmental benefits,**
36 **each electric company serving customers in this state shall:”.**

37 On page 14, line 15, delete “Projects” and insert “Programs”.

38 Delete lines 17 through 45.

39 On page 15, delete lines 1 through 31 and insert:

40 **“SECTION 19.** (1) **As used in this section:**

41 **“(a) ‘Community solar program’ means a program by which an electric company procures**
42 **electricity from community solar projects.**

43 **“(b) ‘Community solar project’ means a project for the generation of electricity that al-**
44 **lows the customers of an electric company an opportunity to buy solar energy from a shared**
45 **solar resource and to share in the costs, risks and benefits of solar projects through the**

1 customer's electric bill.

2 “(c) ‘Electric company’ has the meaning given that term in ORS 757.600.

3 “(2) The Public Utility Commission shall require each electric company to implement a
4 community solar program and adopt rules for the implementation of community solar pro-
5 grams. As part of the rules, the commission shall:

6 “(a) Establish a program capacity cap for each electric company. The initial community
7 solar program capacity cap for each electric company must be based on the 2015 peak load
8 of the electric company. The commission may adjust the community solar program capacity
9 cap for each electric company.

10 “(b) Prescribe what qualifies a community solar project to participate in a community
11 solar program.

12 “(c) Certify qualified community solar projects for participation in a community solar
13 program.

14 “(d) Require electric companies to enter into 20-year power purchase agreements with
15 certified community solar projects, excepting those circumstances where the parties to a
16 power purchase agreement agree to enter into a power purchase agreement for a shorter
17 duration.

18 “(e) Require that subscribers to a community solar project subscribe to the community
19 solar project for a minimum term.

20 “(f) Minimize the shifting of costs from community solar programs to ratepayers who
21 do not subscribe to a community solar project.

22 “(g) Protect the public interest.

23 “(3) A community solar project:

24 “(a) Must have a generating capacity between 25 kilowatts and 2 megawatts;

25 “(b) May be owned by any person;

26 “(c) Must be located in this state; and

27 “(d) May be located anywhere in this state.

28 “(4) The owner or operator of a community solar project may offer subscriptions for the
29 generation of electricity only to residential and small commercial consumers of electricity.

30 “(5)(a) The owner or operator of a community solar project may offer individual sub-
31 scriptions for the generation of electricity, as described in subsection (4) of this section, in
32 any amount that does not exceed the subscriber's annual load.

33 “(b) Annually, an electric company shall distribute to the low-income residential cus-
34 tomers of the electric company, as part of any low-income assistance program administered
35 by the electric company, any credit to an electric bill as provided for in subsection (6) of this
36 section in excess of the subscriber's average annual load.

37 “(6)(a) Except as provided in paragraph (b) of this subsection, an electric company shall
38 credit a subscriber's electric bill for the amount of electricity generated by a community
39 solar project for the subscriber in an amount that equals the resource value of solar. For
40 purposes of this paragraph, the commission shall determine the resource value of solar.

41 “(b) The commission may adopt a rate for an electric company to use in crediting a
42 subscriber's electric bill other than the rate described in paragraph (a) of this subsection if
43 the commission has good cause to adopt the different rate.

44 “(7)(a) The costs, risks and benefits of a community solar project shall be borne by the
45 owner, operator or developer of the community solar project and by subscribers to the

1 community solar project.

2 “(b) All start-up costs prudently incurred by an electric company during the development
3 of a community solar program are recoverable in the rates of an electric company and are
4 payable by all ratepayers of the electric company.

5 “(c) All ongoing costs incurred during the continued administration of a community solar
6 program must be borne by the owner or operator of the community solar project and by
7 subscribers to the community solar project.

8 “(8) A subscriber to a community solar project owns all renewable energy certificates
9 provided for in the system established under ORS 469A.130 that are associated with the
10 electricity generated by the community solar project, in proportion to the subscriber’s sub-
11 scription.

12 “(9) As part of the community solar program established under this section, the com-
13 mission shall:

14 “(a) Identify low-income residential customers of electricity;

15 “(b) Determine a methodology by which 10 percent of the total generating capacity of the
16 community solar projects operated under the program will be made available for use by
17 low-income residential customers of electricity; and

18 “(c) Periodically review and adjust the percentage described in paragraph (b) of this
19 subsection.

20 “SECTION 20. Subject to the provisions of section 19 of this 2016 Act, in establishing by
21 rule the plan for the implementation of a community solar program by each electric company
22 under section 19 of this 2016 Act, the Public Utility Commission shall adopt rules that are
23 consistent with the preferred attributes for the design of community solar programs as re-
24 commended by the commission to the Legislative Assembly on October 26, 2015.”.

25 In line 32, delete “January” and insert “July”.

26 On page 17, line 4, after “may” insert “annually”.

27 In line 7, delete “September” and insert “December”.

28 In line 8, delete “30” and insert “31”.

29 After line 8, insert:

30 “SECTION 27. On or before July 1, 2017, the Public Utility Commission shall:

31 “(1) Require each electric company to implement a community solar program; and

32 “(2) Adopt rules for the implementation of community solar programs as required by
33 section 19 of this 2016 Act.”.

34 In line 9, delete “27” and insert “28”.

35 In line 12, delete “28” and insert “29”.