

House Bill 4037

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Energy and Environment)

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**.

Directs Oregon Business Development Department to establish program to incentivize generation of electricity derived from solar energy. Establishes Solar Incentivization Fund for purposes of program. Directs department to make monthly payments from fund to owner or operator of solar photovoltaic energy system included in program for five years in amount that equals one-half cent per kilowatt hour of electricity generated. Closes program to new applicants on January 2, 2017, or on date on which all solar photovoltaic energy systems included in program have cumulative nameplate capacity of 150 megawatts, whichever occurs earlier.

Sunsets January 2, 2023.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1 Relating to solar energy; and declaring an emergency.

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

3 **SECTION 1. (1) As used in this section:**

4 (a) **"Investor-owned utility" means an investor-owned utility, as defined in ORS 469.631,**
5 **that distributes electricity.**

6 (b) **"Nameplate capacity" means the maximum rated output of a generator or other**
7 **electric power production equipment under specific conditions designated by the manufac-**
8 **turer of the equipment.**

9 (c) **"Publicly owned utility" has the meaning given that term in ORS 469.649.**

10 (d) **"Solar photovoltaic energy system" means equipment and devices that have the pri-**
11 **mary purpose of collecting solar energy and generating electricity by photovoltaic effect.**

12 (2) **The Oregon Business Development Department shall establish a program to**
13 **incentivize the generation of electricity derived from solar energy. In establishing the pro-**
14 **gram, the department shall:**

15 (a) **Prescribe the form and manner by which the owner or operator of a solar**
16 **photovoltaic energy system may apply to participate in the program;**

17 (b) **Enroll in the program applicants that own or operate solar photovoltaic energy sys-**
18 **tems qualified to be included in the program; and**

19 (c) **Close the program to new applicants on the earlier of the following dates:**

20 (A) **The date on which all solar photovoltaic energy systems included in the program have**
21 **a cumulative nameplate capacity of 150 megawatts; or**

22 (B) **January 2, 2017.**

23 (3)(a) **To participate in the program, an owner or operator of a solar photovoltaic energy**
24 **system must demonstrate to the satisfaction of the department that the solar photovoltaic**
25 **energy system is qualified to be included in the program. A solar photovoltaic energy system**
26 **is qualified to be included in the program if the solar photovoltaic energy system:**
27

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 (A) Is located in this state;

2 (B) Has a nameplate capacity of at least two megawatts;

3 (C) Has a nameplate capacity of no more than 10 megawatts;

4 (D) Is either directly connected to the electrical system of an investor-owned utility or
5 publicly owned utility, or is indirectly connected to the electrical system of an investor-
6 owned utility or publicly owned utility in a manner that the department determines is ac-
7 ceptable for program enrollees;

8 (E) Has a meter or other device that monitors and measures the quantity of energy
9 generated by the solar photovoltaic energy system; and

10 (F) Meets any other siting, design, interconnection, installation and electric output
11 standards required by the laws of this state.

12 (b) An investor-owned utility or a publicly owned utility that owns a qualified solar
13 photovoltaic energy system is eligible to participate in the program.

14 (4) For the purpose of incentivizing the generation of electricity derived from solar en-
15 ergy, the department shall make monthly payments to a program enrollee under this section
16 for five years after the date on which the department makes an initial payment to the pro-
17 gram enrollee. A payment made under this subsection must be for an amount that equals
18 one-half cent per kilowatt hour of electricity generated.

19 (5) Before enrolling an applicant as described in subsection (2)(b) of this section, the
20 Oregon Business Development Department shall:

21 (a) Consult with the State Department of Energy to ensure that:

22 (A) A proposed solar photovoltaic energy system is qualified as described in subsection
23 (3) of this section; and

24 (B) The solar photovoltaic energy system, if not generating electricity on the date of
25 application, is likely to begin generating electricity no later than one year after the date on
26 which the owner or operator of the solar photovoltaic energy system applies to be included
27 in the program; and

28 (b) If applicable, consult with the Public Utility Commission to ensure that the costs as-
29 sociated with a solar photovoltaic energy system will be recoverable pursuant to a schedule
30 submitted to and approved by the commission in accordance with ORS 757.205 and 757.210
31 or pursuant to other applicable provisions of law providing for the recovery of costs borne
32 by investor-owned utilities.

33 (6) The owner of a solar photovoltaic energy system included in the program established
34 under this section:

35 (a) Also owns all renewable energy certificates established under ORS 469A.130 that are
36 associated with the generation of electricity by the solar photovoltaic energy system; and

37 (b) Is not eligible to receive funds under ORS 757.612 (3)(b)(B) unless the funds are re-
38 ceived pursuant to an agreement entered into before the effective date of this 2016 Act.

39 (7) The Oregon Business Development Department may adopt rules to implement this
40 section.

41 (8) The department shall submit a report on implementing this section in the manner
42 provided by ORS 192.245 to an interim committee of the Legislative Assembly related to en-
43 ergy no later than September 15 of each odd-numbered year.

44 **SECTION 2.** (1) There is established the Solar Incentivization Fund, separate and distinct
45 from the General Fund. Interest earned by the Solar Incentivization Fund shall be credited

1 to the fund.

2 (2) Moneys in the fund are continuously appropriated to the Oregon Business Develop-
3 ment Department for the purposes of the program described in section 1 of this 2016 Act.

4 (3) The department may accept from any source any grant, donation or gift of moneys
5 for deposit in the fund.

6 SECTION 3. (1) Sections 1 and 2 of this 2016 Act are repealed on January 2, 2023.

7 (2) Any moneys remaining in the Solar Incentivization Fund on the date of the repeal of
8 section 2 of this 2016 Act must be transferred from the Solar Incentivization Fund to the
9 General Fund to be available for general governmental purposes.

10 SECTION 4. This 2016 Act being necessary for the immediate preservation of the public
11 peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect
12 on its passage.

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