

Senate Bill 1572

Sponsored by Senator BEYER, Representative HOLVEY (Pre-session filed.)

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 Public Utility Commission to establish program for procurement of electricity from community solar projects. Sets forth guidelines for program implementation and qualifications for community solar projects.

Directs commission, on or before January 1, 2019, to report on implementation of program to interim committees of Legislative Assembly related to business and energy.

A BILL FOR AN ACT

1
2 Relating to utility regulation.

3 Whereas renewable energy procurement programs should provide fair access to Oregon house-
4 holds and small businesses that do not have the ability to install solar photovoltaic energy systems
5 on their property; and

6 Whereas renewable energy procurement programs should shift minimal costs onto Oregon
7 ratepayers; and

8 Whereas renewable energy procurement programs should be designed for easy and efficient ad-
9 ministration; and

10 Whereas renewable energy procurement programs should allow for adaptation as administering
11 agencies and stakeholders gain experience; now, therefore,

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

13 **SECTION 1.** (1) **For purposes of this section:**

14 (a) **“Community solar project” means one or more solar photovoltaic energy systems that**
15 **provide owners and subscribers the opportunity to share the costs and benefits associated**
16 **with the generation of electricity by the solar photovoltaic energy systems.**

17 (b) **“Electric company” has the meaning given that term in ORS 757.600.**

18 (c) **“Owner” means a customer of an electric company who has proportionate ownership**
19 **of part of a community solar project, such as direct ownership of one or more solar panels**
20 **or shared ownership of the infrastructure of the community solar project.**

21 (d) **“Project manager” means the entity identified as having responsibility for managing**
22 **the operation of a community solar project and, if applicable, for maintaining contact with**
23 **the electric company that procures electricity from the community solar project. A project**
24 **manager may be:**

25 (A) **An electric company; or**

26 (B) **An independent third party.**

27 (e) **“Solar photovoltaic energy system” means equipment and devices that have the pri-**
28 **mary purpose of collecting solar energy and generating electricity by photovoltaic effect.**

29 (f) **“Subscriber” means a customer of an electric company who proportionately leases**
30 **part of a community solar project for a minimum of 10 years.**

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 **(2)(a) The Public Utility Commission shall establish by rule a program for the procure-**
 2 **ment of electricity from community solar projects. As part of the program, the commission**
 3 **shall:**

4 **(A) Adopt rules prescribing what qualifies a community solar project to participate in the**
 5 **program;**

6 **(B) Certify qualified community solar projects for participation in the program;**

7 **(C) Prescribe the form and manner by which project managers may apply for certification**
 8 **under the program; and**

9 **(D) Require, by rule or order, electric companies to enter into a 20-year power purchase**
 10 **agreement with a certified community solar project.**

11 **(b) The commission shall adopt rules under paragraph (a)(A) of this subsection that, at**
 12 **a minimum:**

13 **(A) Incentivize residential and small commercial consumers of electricity that do not**
 14 **have the ability to install solar photovoltaic energy systems on their property to be owners**
 15 **or subscribers;**

16 **(B) Minimize the shifting of costs from the program to ratepayers who do not own or**
 17 **subscribe to a community solar project;**

18 **(C) Where an electric company is the project manager, protect owners and subscribers**
 19 **from undue financial hardship; and**

20 **(D) Protect the public interest.**

21 **(3) A community solar project:**

22 **(a) Must have at least one solar photovoltaic energy system with a minimum generating**
 23 **capacity of 25 kilowatts;**

24 **(b) Must be located in this state; and**

25 **(c) May be located anywhere in this state.**

26 **(4) A project manager may offer ownership in or subscriptions to a community solar**
 27 **project only to consumers of electricity that are located:**

28 **(a) In this state; and**

29 **(b) In the service territory of an electric company.**

30 **(5)(a) A project manager may offer proportional ownership in or proportional sub-**
 31 **scriptions to a community solar project in any amount that does not exceed a potential**
 32 **owner's or potential subscriber's average annual consumption of electricity.**

33 **(b) Any value associated with the generation of electricity in excess of an offer to own**
 34 **or subscribe to a community solar project as limited by paragraph (a) of this subsection must**
 35 **be used by the electric company procuring electricity from the community solar project in**
 36 **support of low-income residential customers of the electric company.**

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

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

45 **(7)(a) Except as otherwise provided for in this section, owners and subscribers shall bear**

1 the costs and benefits of constructing and operating a community solar project.

2 (b) Costs incurred by an electric company under the terms of a power purchase agree-
3 ment entered into pursuant to subsection (2)(a)(D) of this section are recoverable in the
4 rates of the electric company. Moneys collected pursuant to imposing those rates, under the
5 terms of a power purchase agreement entered into pursuant to subsection (2)(a)(D) of this
6 section, may be transferred to a project manager for the purpose of operating a community
7 solar project.

8 (c) All start-up costs prudently incurred during the development or modification of the
9 program established under this section are recoverable in the rates of an electric company.

10 (d) Owners and subscribers shall bear all ongoing costs incurred during the continued
11 administration of the program established under this section.

12 (8) Owners and subscribers own all renewable energy certificates established under ORS
13 469A.130 that are associated with the generation of electricity by a community solar project,
14 in proportion to the owner's proportional ownership in or the subscriber's proportional sub-
15 scription to the community solar project.

16 (9) As part of the program established under this section, the commission shall:

17 (a) Identify low-income residential customers of electric companies;

18 (b) Determine a methodology by which 15 percent of the total generating capacity of the
19 community solar projects operated under the program will be made available for use by
20 low-income residential customers of electric companies; and

21 (c) Periodically review and adjust the percentage described in paragraph (b) of this sub-
22 section.

23 **SECTION 2.** The Public Utility Commission may not adjust the percentage of the total
24 generating capacity of the community solar projects operated under the program established
25 under section 1 of this 2016 Act that will be made available for use by low-income residential
26 customers of electric companies pursuant to section 1 (9)(c) of this 2016 Act until January
27 1, 2019.

28 **SECTION 3.** On or before January 1, 2019, the Public Utility Commission shall report on
29 the implementation of section 1 of this 2016 Act to the interim committees of the Legislative
30 Assembly related to business and energy. As part of the report, the commission may make
31 recommendations for legislation. The commission shall submit the report in the manner re-
32 quired by ORS 192.245.