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SUMMARY

Digest: Allows a project to partake in the community solar program that is five megawatts or less. Allows a project and its subscribers to be in different service areas of the state. Sets a cap on the total capacity of the program and raises the cap over time. (Flesch Readability Score: 61.3).

Allows a community solar project with a nameplate capacity of five megawatts or less to participate in the community solar program. Allows a community solar project and its subscribers to be located in different electric company service territories.

Establishes, beginning in 2026, an initial cap on the total generating capacity of the community solar projects participating in the program at no less than 4.5 percent of an electric company's system peak in the calendar year 2016. Increases the cap by an additional 2 percent each year up to 14.5 percent beginning in 2031 and each subsequent year.

Directs the Public Utility Commission to adopt a schedule establishing penalties that may be imposed on an electric company for unreasonably delaying the interconnection process for a community solar project.

A BILL FOR AN ACT

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Relating to community solar projects; amending ORS 757.386.

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

SECTION 1. ORS 757.386 is amended to read:

757.386. (1) For purposes of this section:

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

(b) "Electric company" has the meaning given that term in ORS 757.600.

(c) "Owner" means a customer of an electric company who has propor-

1 tionate ownership of part of a community solar project, such as direct own-
2 ership of one or more solar panels or shared ownership of the infrastructure
3 of the community solar project.

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

8 (A) An electric company; or

9 (B) An independent third party.

10 (e) “Solar photovoltaic energy system” means equipment and devices that
11 have the primary purpose of collecting solar energy and generating electric-
12 ity by photovoltaic effect.

13 (f) “Subscriber” means a customer of an electric company who propor-
14 tionately leases part of a community solar project for a minimum of 10 years.

15 (2)(a) The Public Utility Commission shall establish by rule a program for
16 the procurement of electricity from community solar projects. As part of the
17 program, the commission shall:

18 (A) Adopt rules prescribing what qualifies a community solar project to
19 participate in the program;

20 (B) Certify qualified community solar projects for participation in the
21 program;

22 (C) Prescribe the form and manner by which project managers may apply
23 for certification under the program; and

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

26 (b) The commission shall adopt rules under paragraph (a)(A) of this sub-
27 section that, at a minimum:

28 (A) Incentivize consumers of electricity to be owners or subscribers;

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

31 (C) Where an electric company is the project manager, protect owners and

1 subscribers from undue financial hardship; and

2 (D) Protect the public interest.

3 (c) The commission may suspend the program [*adopted*] **established** under
4 this subsection if the commission has good cause to suspend the program.

5 (3) A community solar project:

6 (a) Must have at least one solar photovoltaic energy system with a mini-
7 mum generating capacity of 25 kilowatts;

8 (b) Must be located in this state; [*and*]

9 (c) May be located anywhere in this state;

10 **(d) May be located within an electric company's service territory**
11 **that is different from the electric company's service territory within**
12 **which subscribers of the community solar project are located; and**

13 **(e) May have a nameplate capacity that is five megawatts or less.**

14 (4) A project manager may offer ownership in or subscriptions to a com-
15 munity solar project only to consumers of electricity that are located:

16 (a) In this state; and

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

18 (5)(a) A project manager may offer proportional ownership in or propor-
19 tional subscriptions to a community solar project in any amount that does
20 not exceed a potential owner's or potential subscriber's average annual con-
21 sumption of electricity.

22 (b) Any value associated with the generation of electricity in excess of
23 an offer to own or subscribe to a community solar project as limited by
24 paragraph (a) of this subsection must be used by the electric company pro-
25 curing electricity from the community solar project in support of low-income
26 residential customers of the electric company.

27 (6)(a) Except as provided in paragraph (b) of this subsection, an electric
28 company shall credit an owner's or subscriber's electric bill for the amount
29 of electricity generated by a community solar project for the owner or sub-
30 scriber in a manner that reflects the resource value of solar energy. For
31 purposes of this paragraph, the commission shall determine the resource

1 value of solar energy.

2 (b) The commission may adopt a rate for an electric company to use in
3 crediting an owner's or subscriber's electric bill other than the rate de-
4 scribed in paragraph (a) of this subsection if the commission has good cause
5 to adopt the different rate.

6 **(7) After public hearing, the Public Utility Commission by order**
7 **shall adopt a schedule establishing penalties that may be imposed on**
8 **an electric company for unreasonably delaying the interconnection**
9 **process for a community solar project and the time allowed for an**
10 **electric company to take action necessary to correct the delay.**

11 **(8) The commission shall establish a cap on the total generating**
12 **capacity of the community solar projects operating under the program**
13 **established under this section for which an electric company is re-**
14 **quired to allow to participate in the electric company's service terri-**
15 **tory by the following amounts:**

16 **(a) For the calendar year 2026, no less than 4.5 percent of the elec-**
17 **tric company's system peak in the calendar year 2016.**

18 **(b) For the calendar year 2027, no less than 6.5 percent of the elec-**
19 **tric company's system peak in the calendar year 2016.**

20 **(c) For the calendar year 2028, no less than 8.5 percent of the elec-**
21 **tric company's system peak in the calendar year 2016.**

22 **(d) For the calendar year 2029, no less than 10.5 percent of the**
23 **electric company's system peak in the calendar year 2016.**

24 **(e) For the calendar year 2030, no less than 12.5 percent of the**
25 **electric company's system peak in the calendar year 2016.**

26 **(f) For the calendar year 2031 and subsequent calendar years, no**
27 **less than 14.5 percent of the electric company's system peak in the**
28 **calendar year 2016.**

29 **[(7)(a)] (9)(a)** Except as otherwise provided in this section, owners and
30 subscribers shall bear the costs and benefits of constructing and operating
31 a community solar project.

1 (b) Costs incurred by an electric company under the terms of a power
2 purchase agreement entered into pursuant to subsection (2)(a)(D) of this
3 section are recoverable in the rates of the electric company. Moneys col-
4 lected pursuant to imposing those rates, under the terms of a power purchase
5 agreement entered into pursuant to subsection (2)(a)(D) of this section, may
6 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 mod-
9 ification of the program established under this section are recoverable in the
10 rates of an electric company.

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

13 [(8)] (10) Owners and subscribers own all renewable energy certificates
14 established under ORS 469A.130 that are associated with the generation of
15 electricity by a community solar project, in proportion to the owner's pro-
16 portional ownership in or the subscriber's proportional subscription to the
17 community solar project.

18 [(9)] (11) As part of the program established under this section, the com-
19 mission shall:

20 (a) Determine a methodology by which 10 percent of the total generating
21 capacity of the community solar projects operated under the program will
22 be made available for use by low-income residential customers of electricity;
23 and

24 (b) Periodically review and adjust the percentage described in paragraph
25 (a) of this subsection.

26 [(10)] (12) A subscription described in this section shall be considered a
27 lease for purposes of ORS 307.092 and 307.112.

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