

# DRAFT

## SUMMARY

Digest: Tells the PUC to create rules and a framework to allow microgrids. (Flesch Readability Score: 72.6).

Directs the Public Utility Commission to establish a regulatory framework to allow the ownership, deployment and use of microgrids and community microgrids.

Takes effect on the 91st day following adjournment sine die.

## A BILL FOR AN ACT

Relating to microgrids; and prescribing an effective date.

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

**SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 757.**

**SECTION 2. (1) As used in this section:**

**(a) “Community-based organization” means a nonprofit organization with demonstrated efficacy that is representative of a community or specific segments of a community, serves to meet the community’s needs in the area of social, human or health services and is located within or in close proximity to the community the organization serves.**

**(b) “Community microgrid” means a microgrid that is composed of a localized group of customers and distributed energy resources within clearly defined electrical boundaries.**

**(c) “Energy resource” means a small-scale energy system or mechanism that generates, stores or consumes energy or works to balance and match energy demand with energy supply.**

**(d) “Front-of-meter” means the utility side of a transmission or**

1 **distribution system in reference to a customer’s meter.**

2 **(e) “Microgrid” means an interconnected system of loads and en-**  
3 **ergy resources appropriately sized to meet customer needs within**  
4 **clearly defined electrical boundaries that can function as a single,**  
5 **controllable system independent from a utility transmission or dis-**  
6 **tribution system.**

7 **(2) The Public Utility Commission shall conduct an investigation to**  
8 **establish a regulatory framework for allowing the ownership, deploy-**  
9 **ment and use of microgrids and community microgrids.**

10 **(3) The investigation must:**

11 **(a) Determine the benefits and constraints of deploying microgrids**  
12 **and community microgrids.**

13 **(b) Establish interconnection standards and requirements.**

14 **(c) Establish safety and performance standards.**

15 **(d) Establish an application and approval process that is accessible.**

16 **(e) Develop a framework for compensation and cost allocation that**  
17 **recognizes the value community microgrids provide to all electricity**  
18 **customers, the electric grid and local users of the electric grid. The**  
19 **framework must take into consideration the reliability and resilience**  
20 **services a microgrid or community microgrid provides to a trans-**  
21 **mission or distribution system, to a community in which the microgrid**  
22 **or community microgrid is located and to critical infrastructure.**

23 **(f) Establish a methodology for compensating an owner, subscriber**  
24 **or developer of a microgrid or community microgrid for the value that**  
25 **the microgrid or community microgrid provides. The methodology**  
26 **must:**

27 **(A) Incorporate the value of lost load during a public safety power**  
28 **shutoff; and**

29 **(B) Include a schedule of avoided costs of a utility that reflects the**  
30 **value of the energy generated or saved by a microgrid or community**  
31 **microgrid.**

1 (g) Allow excess energy generated by a microgrid or community  
2 microgrid to be sold to a utility on a nondiscriminatory basis.

3 (h) Allow a microgrid or community microgrid to use front-of-  
4 meter energy resources that are owned or operated by a utility,  
5 third-party developer, local or tribal government or community-based  
6 organization.

7 (4) In conducting the investigation, the commission shall consult  
8 with appropriate local, state and federal agencies.

9 SECTION 3. This 2025 Act takes effect on the 91st day after the date  
10 on which the 2025 regular session of the Eighty-third Legislative As-  
11 sembly adjourns sine die.

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