



Legislative Fiscal Office
 83rd Oregon Legislative Assembly
 2025 Regular Session

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Bill Title: Relating to microgrids; prescribing an effective date.

Government Unit(s) Affected: Department of Energy, Department of Consumer and Business Services, Public Utility Commission, Cities, Counties

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Public Utility Commission	\$ -	\$ -	\$ 410,136	\$ -	\$ 410,136	1	0.88
Total Fiscal Impact	\$ -	\$ -	\$ 410,136	\$ -	\$ 410,136	1	0.88

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Public Utility Commission	\$ -	\$ -	\$ 294,227	\$ -	\$ 294,227	1	1.00
Total Fiscal Impact	\$ -	\$ -	\$ 294,227	\$ -	\$ 294,227	1	1.00

Measure Description

The measure directs the Public Utility Commission (PUC) to complete an investigation and establish a regulatory framework for the ownership, deployment, and operation of microgrids and community microgrids. The framework must include standards related to interconnection, safety, performance, compensation, and coordination with electric utilities. PUC must complete the framework within 18 months of the measure’s effective date.

The measure also requires the Department of Consumer and Business Services (DCBS) to adopt rules to support building integration with community microgrids through the state building code. In addition, local governments are authorized to adopt land use regulations and designate microgrid zones based on electric service infrastructure, with such designations subject to approval by PUC or the governing body of a consumer-owned utility, depending on service territory. Local governments may enter into intergovernmental agreements to jointly designate microgrid zones across jurisdictions.

The measure includes an Other Funds limitation increase of \$410,136 for the Public Utility Commission for the 2025-27 biennium.

Fiscal Analysis

The total estimated fiscal impact is \$410,136 Other Funds and one permanent full-time position (0.88 FTE) in the 2025-27 biennium and \$294,227 Other Funds and one permanent full-time position (1.00 FTE) in the 2027-29 biennium.

Public Utility Commission

To implement the measure, PUC will undertake a rulemaking process to establish a regulatory framework for the ownership, deployment, and operation of microgrids and community microgrids. This work includes developing interconnection, safety, and performance standards; creating an accessible application and approval process; and designing a compensation and cost allocation framework that accounts for the full range of services provided by microgrids, such as resilience, avoided utility costs, and reliability benefits. The framework must also include methodologies for valuing lost load during public safety power shutoffs, incorporating front-of-meter resources, and enabling cost recovery for shared community energy resilience infrastructure.

Given the scope of this work, PUC will require external consultant support and additional staff. Associated services and supplies costs include \$150,000 Other Funds, one-time, for professional services to support development of the compensation methodology, stakeholder engagement, and regulatory review.

The measure is estimated to require one permanent full-time Utility and Energy Analyst 3 position (0.88 FTE) with position costs of \$260,136 in the 2025-27 biennium and \$294,227 in the 2027-29 biennium. These costs are supported by PUC's annual fee on the revenues of regulated electric, gas, telecommunications, and water/wastewater utilities.

Other entities

There is a minimal fiscal impact to DCBS.

There is no fiscal impact to the Oregon Department of Energy, cities, or counties.

Relevant Dates

The measure takes effect on the 91st day after sine die.