

House Bill 2064

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

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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Makes the PUC take certain actions to support microgrids. (Flesch Readability Score: 66.1).

Requires the Public Utility Commission to take certain actions to support the operations of microgrids and community microgrids.

Requires the Department of Consumer and Business Services to adopt rules that support the integration of buildings with community microgrids.

Allows local governments to adopt land use regulations that correspond to microgrid zones and designate a geographical area as a microgrid zone, subject to the approval of the commission.

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

A BILL FOR AN ACT

1
2 Relating to microgrids; and prescribing an effective date.

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

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

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

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

8 (b) **“Energy resource” means a small-scale energy system or mechanism that generates,**
9 **stores or consumes energy or works to balance and match energy demand with energy sup-**
10 **ply.**

11 (c) **“Front-of-meter” means the utility side of a transmission or distribution system in**
12 **reference to a customer’s meter.**

13 (d) **“Microgrid” means an interconnected system of loads and energy resources appro-**
14 **priately sized to meet customer needs within clearly defined electrical boundaries that can**
15 **function as a single, controllable system independent from a utility transmission or distrib-**
16 **ution system.**

17 (e) **“Microgrid operator” means an entity that is responsible for operating a microgrid,**
18 **including coordinating and optimizing the operations of the distributed energy resources that**
19 **make up the microgrid. A microgrid operator may operate one or more microgrids.**

20 (2) **The Public Utility Commission shall:**

21 (a) **Investigate and create a standard for reasonable shared costs for community energy**
22 **resilience that is provided by a microgrid. The standards must allow for owners or operators**
23 **of a microgrid to recover the costs for designing, constructing and maintaining the microgrid**
24 **from customers who use:**

25 (A) **The microgrid;**

26 (B) **The distribution system located within a microgrid zone within which the microgrid**

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 is located; or

2 (C) The distribution system local to the microgrid.

3 (b) Allow for redundant infrastructure that supports community microgrids.

4 (c) Approve a community microgrid if the community microgrid enhances local energy
5 resilience and is capable of supporting critical infrastructure during and after an emergency,
6 natural disaster or disruption to the electric grid or energy supply.

7 (d) Allow a microgrid operator to operate one or more microgrids independently from the
8 electric grid system and direct the microgrid's front-of-meter energy resources during and
9 after an emergency to provide energy resilience services to the customers within the elec-
10 trical boundaries of the microgrid.

11 **SECTION 3.** Section 4 of this 2025 Act is added to and made a part of ORS chapter 455.

12 **SECTION 4.** (1) As used in this section:

13 (a) "Community microgrid" means a microgrid that is composed of a localized group of
14 customers and distributed energy resources within clearly defined electrical boundaries.

15 (b) "Energy resource" means a small-scale energy system or mechanism that generates,
16 stores or consumes energy or works to balance and match energy demand with energy sup-
17 ply.

18 (c) "Microgrid" means an interconnected system of loads and energy resources appro-
19 priately sized to meet customer needs within clearly defined electrical boundaries that can
20 function as a single, controllable system independent from a utility transmission or distrib-
21 ution system.

22 (2) The Department of Consumer and Business Services shall adopt rules to the state
23 building code that support the integration of buildings with community microgrids.

24 **SECTION 5.** Section 6 of this 2025 Act is added to and made a part of ORS chapter 197.

25 **SECTION 6.** (1) As used in this section:

26 (a) "Community microgrid" means a microgrid that is composed of a localized group of
27 customers and distributed energy resources within clearly defined electrical boundaries.

28 (b) "Energy resource" means a small-scale energy system or mechanism that generates,
29 stores or consumes energy or works to balance and match energy demand with energy sup-
30 ply.

31 (c) "Microgrid" means an interconnected system of loads and energy resources appro-
32 priately sized to meet customer needs within clearly defined electrical boundaries that can
33 function as a single, controllable system independent from a utility transmission or distrib-
34 ution system.

35 (2) A local government may:

36 (a) Adopt land use regulations that correspond to microgrid zones to encourage develop-
37 ment that is compatible with microgrids and community microgrids.

38 (b) Designate a geographical area based on existing electric service infrastructure located
39 within the jurisdiction of the local government as a microgrid zone, subject to the approval
40 of the Public Utility Commission.

41 (c) Enter into an intergovernmental agreement with one or more local governments to
42 designate a geographical area based on existing electric service infrastructure located within
43 and across the jurisdictions of the local governments as a microgrid zone, subject to the
44 approval of the commission.

45 **SECTION 7.** This 2025 Act takes effect on the 91st day after the date on which the 2025

1 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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