

B-Engrossed House Bill 2065

Ordered by the House June 19
Including House Amendments dated April 15 and June 19

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

Digest: Allows the use of a third party to study or evaluate a request to connect a microgrid to a power grid. (Flesch Readability Score: 60.6).

Allows a person to contract with a third-party consultant to conduct a study or engineering evaluation that a public utility requires for an application to interconnect a microgrid or community microgrid. Allows a contracted third-party consultant to receive from a public utility all technical data necessary to conduct the study or engineering evaluation and submit to the public utility a preliminary design for review. Requires a public utility to approve or deny an application based on safety, reliability and compliance with published standards.

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

A BILL FOR AN ACT

1
2 Relating to the interconnection process; 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 located within a geographical area**
7 **that a local government, as defined in ORS 197.015, designates as a microgrid zone.**

8 (b) **“Microgrid” means a group of interconnected loads and distributed energy resources**
9 **within clearly defined electrical boundaries that functions as a single controllable system,**
10 **irrespective of whether the microgrid is operating independently of or in conjunction with**
11 **an electric grid.**

12 (c) **“Public utility” means a utility regulated by the Public Utility Commission under ORS**
13 **chapter 757 that provides electric power to consumers.**

14 (d) **“Technical data” includes:**

15 (A) **Substation and circuit load profiles;**

16 (B) **Geographic information system maps of utility infrastructure;**

17 (C) **Equipment specifications, age and capacity ratings;**

18 (D) **The maximum amount of power that can be added to a distribution system without**
19 **requiring infrastructure upgrades for distributed energy resources;**

20 (E) **Protection coordination schemes and fault current data; and**

21 (F) **Standards, tariffs and technical requirements for interconnection.**

22 (2) **When a person applies to a public utility for authority to interconnect a microgrid**
23 **or community microgrid with the public utility’s transmission or distribution system and the**

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 public utility concludes that the proposed interconnection requires a study or engineering
2 evaluation, the person shall have the option to:

3 (a) Agree to have the public utility conduct the study or evaluation; or

4 (b) Contract with a third-party consultant to conduct the study or evaluation, subject to
5 the public utility's reasonable review and approval of the study or evaluation.

6 (3) A person that agrees to have the public utility conduct the study or engineering
7 evaluation under subsection (2) of this section shall reimburse the public utility for the rea-
8 sonable costs incurred by the public utility in performing the study or evaluation.

9 (4) A public utility may, as a technical collaborator, contract with a third-party consult-
10 ant to conduct the study or engineering evaluation requested under subsection (2) of this
11 section.

12 (5) A report that is produced from a study or engineering evaluation conducted under
13 subsection (2) of this section and has received a professional engineer stamp approving the
14 report shall be considered a final report for purposes of review by a public utility of an ap-
15 plication to interconnect a microgrid or community microgrid with the public utility's
16 transmission or distribution system.

17 (6)(a) If a person contracts with a third-party consultant to conduct a study or evaluation
18 under subsection (2)(b) of this section, the third-party consultant may submit a written re-
19 quest to a public utility for all technical data necessary to conduct the study or evaluation.
20 The public utility shall provide the technical data:

21 (A) Within 21 days from the date of the request; and

22 (B) In a standardized, machine-readable format, except as otherwise agreed.

23 (b) A public utility may redact data from the technical data that the public utility pro-
24 vides if disclosure of the data jeopardizes grid security or violates federal or state law. If a
25 public utility redacts data, the public utility shall provide a mutually acceptable alternative
26 that enables the third-party consultant to conduct the study or evaluation.

27 (c) A public utility shall clearly identify information the public utility provides that is
28 proprietary.

29 (d) A public utility shall designate a liaison who is available to clarify data, resolve am-
30 biguities and explain technical requirements during the design phase.

31 (e) A public utility may charge for the reasonable and actual costs incurred by the public
32 utility in preparing and providing technical data under this subsection.

33 (7)(a) A third-party consultant who is conducting a study or evaluation under subsection
34 (2)(b) of this section may submit to a public utility a preliminary design for review by the
35 public utility. The preliminary design may include proposed microgrid and distributed energy
36 resources specifications and alignment with technical data.

37 (b) A public utility shall provide within 30 days from the date a preliminary design is
38 submitted written feedback on the preliminary design that identifies potential compliance
39 issues or modifications to the design that are needed.

40 (c) A third-party consultant may incorporate feedback and submit an interconnection
41 application along with a final report to the public utility.

42 (d) A public utility may not charge for conducting a preliminary design review under this
43 subsection.

44 (8)(a) A public utility has sole authority to approve or deny an application to interconnect
45 a microgrid or community microgrid with the public utility's transmission or distribution

1 system under this section. The decision to approve or deny an application must be based on
2 safety, reliability and compliance with published standards.

3 (b) In reviewing applications under this section, a public utility shall prioritize the review
4 of applications that are based on designs that adhere to and incorporate published standards,
5 technical data provided by the public utility and feedback provided under subsection (7) of
6 this section. A public utility shall approve or deny an application that is given priority under
7 this paragraph within 90 days from the date the application is submitted to the public utility.

8 (9) This section does not apply to an interconnection between a microgrid or community
9 microgrid and a public utility that is subject to the jurisdiction of the Federal Energy Regu-
10 latory Commission.

11 **SECTION 3.** Notwithstanding any other law limiting expenditures, the limitation on
12 expenditures established by section 1 (1), chapter __, Oregon Laws 2025 (Enrolled House Bill
13 5034), for the biennium beginning July 1, 2025, for the utility program, as the maximum limit
14 for payment of expenses from fees, moneys or other revenues, including Miscellaneous Re-
15 cepts, but excluding lottery funds and federal funds, collected or received by the Public
16 Utility Commission of Oregon, is increased by \$335,136 for the purpose of carrying out section
17 2 of this 2025 Act.

18 **SECTION 4.** This 2025 Act takes effect on the 91st day after the date on which the 2025
19 regular session of the Eighty-third Legislative Assembly adjourns sine die.

20