

# Senate Bill 92

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## 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:** 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

1  
2 Relating to community solar projects; amending ORS 757.386.

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

4 **SECTION 1.** ORS 757.386 is amended to read:

5 757.386. (1) For purposes of this section:

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

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

10 (c) "Owner" means a customer of an electric company who has proportionate ownership of part  
11 of a community solar project, such as direct ownership of one or more solar panels or shared own-  
12 ership of the infrastructure of the community solar project.

13 (d) "Project manager" means the entity identified as having responsibility for managing the op-  
14 eration of a community solar project and, if applicable, for maintaining contact with the electric  
15 company that procures electricity from the community solar project. A project manager may be:

16 (A) An electric company; or

17 (B) An independent third party.

18 (e) "Solar photovoltaic energy system" means equipment and devices that have the primary  
19 purpose of collecting solar energy and generating electricity by photovoltaic effect.

20 (f) "Subscriber" means a customer of an electric company who proportionately leases part of a  
21 community solar project for a minimum of 10 years.

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

**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 (A) Adopt rules prescribing what qualifies a community solar project to participate in the pro-  
 2 gram;

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

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

6 (D) Require, by rule or order, electric companies to enter into a 20-year power purchase agree-  
 7 ment with a certified community solar project.

8 (b) The commission shall adopt rules under paragraph (a)(A) of this subsection that, at a mini-  
 9 mum:

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

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

13 (C) Where an electric company is the project manager, protect owners and subscribers from  
 14 undue financial hardship; and

15 (D) Protect the public interest.

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

18 (3) A community solar project:

19 (a) Must have at least one solar photovoltaic energy system with a minimum generating capacity  
 20 of 25 kilowatts;

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

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

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

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

27 (4) A project manager may offer ownership in or subscriptions to a community solar project only  
 28 to consumers of electricity that are located:

29 (a) In this state; and

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

31 (5)(a) A project manager may offer proportional ownership in or proportional subscriptions to  
 32 a community solar project in any amount that does not exceed a potential owner's or potential  
 33 subscriber's average annual consumption of electricity.

34 (b) Any value associated with the generation of electricity in excess of an offer to own or sub-  
 35 scribe to a community solar project as limited by paragraph (a) of this subsection must be used by  
 36 the electric company procuring electricity from the community solar project in support of low-  
 37 income residential customers of the electric company.

38 (6)(a) Except as provided in paragraph (b) of this subsection, an electric company shall credit  
 39 an owner's or subscriber's electric bill for the amount of electricity generated by a community solar  
 40 project for the owner or subscriber in a manner that reflects the resource value of solar energy.  
 41 For purposes of this paragraph, the commission shall determine the resource value of solar energy.

42 (b) The commission may adopt a rate for an electric company to use in crediting an owner's or  
 43 subscriber's electric bill other than the rate described in paragraph (a) of this subsection if the  
 44 commission has good cause to adopt the different rate.

45 **(7) After public hearing, the Public Utility Commission by order shall adopt a schedule**

1 **establishing penalties that may be imposed on an electric company for unreasonably delaying**  
 2 **the interconnection process for a community solar project and the time allowed for an elec-**  
 3 **tric company to take action necessary to correct the delay.**

4 **(8) The commission shall establish a cap on the total generating capacity of the commu-**  
 5 **nity solar projects operating under the program established under this section for which an**  
 6 **electric company is required to allow to participate in the electric company's service terri-**  
 7 **tory by the following amounts:**

8 **(a) For the calendar year 2026, no less than 4.5 percent of the electric company's system**  
 9 **peak in the calendar year 2016.**

10 **(b) For the calendar year 2027, no less than 6.5 percent of the electric company's system**  
 11 **peak in the calendar year 2016.**

12 **(c) For the calendar year 2028, no less than 8.5 percent of the electric company's system**  
 13 **peak in the calendar year 2016.**

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

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

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

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

22 **(b) Costs incurred by an electric company under the terms of a power purchase agreement en-**  
 23 **tered into pursuant to subsection (2)(a)(D) of this section are recoverable in the rates of the electric**  
 24 **company. Moneys collected pursuant to imposing those rates, under the terms of a power purchase**  
 25 **agreement entered into pursuant to subsection (2)(a)(D) of this section, may be transferred to a**  
 26 **project manager for the purpose of operating a community solar project.**

27 **(c) All start-up costs prudently incurred during the development or modification of the program**  
 28 **established under this section are recoverable in the rates of an electric company.**

29 **(d) Owners and subscribers shall bear all ongoing costs incurred during the continued adminis-**  
 30 **tration of the program established under this section.**

31 **[(8)] (10) Owners and subscribers own all renewable energy certificates established under ORS**  
 32 **469A.130 that are associated with the generation of electricity by a community solar project, in**  
 33 **proportion to the owner's proportional ownership in or the subscriber's proportional subscription to**  
 34 **the community solar project.**

35 **[(9)] (11) As part of the program established under this section, the commission shall:**

36 **(a) Determine a methodology by which 10 percent of the total generating capacity of the com-**  
 37 **munity solar projects operated under the program will be made available for use by low-income**  
 38 **residential customers of electricity; and**

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

40 **[(10)] (12) A subscription described in this section shall be considered a lease for purposes of**  
 41 **ORS 307.092 and 307.112.**