

Requested by SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

**PROPOSED AMENDMENTS TO
SENATE BILL 92**

1 On page 1 of the printed bill, line 2, before “amending” insert “creating
2 new provisions; and”.

3 Delete lines 4 through 23 and delete pages 2 and 3 and insert:

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 en-
7 ergy systems that provide owners and subscribers the opportunity to share
8 the costs and benefits associated with the generation of electricity by the
9 solar photovoltaic energy systems.

10 “(b) ‘Electric company’ has the meaning given that term in ORS 757.600.

11 “(c) ‘Owner’ means a customer of an electric company who has propor-
12 tionate ownership of part of a community solar project, such as direct own-
13 ership of one or more solar panels or shared ownership of the infrastructure
14 of the community solar project.

15 “(d) ‘Project manager’ means the entity identified as having responsibility
16 for managing the operation of a community solar project and, if applicable,
17 for maintaining contact with the electric company that procures electricity
18 from the community solar project. A project manager may be:

19 “(A) An electric company; or

20 “(B) An independent third party.

21 “(e) ‘Solar photovoltaic energy system’ means equipment and devices that

1 have the primary purpose of collecting solar energy and generating electric-
2 ity by photovoltaic effect.

3 “(f) ‘Subscriber’ means a customer of an electric company who propor-
4 tionately leases part of a community solar project for a minimum of 10 years.

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

8 “(A) Adopt rules prescribing what qualifies a community solar project to
9 participate in the program;

10 “(B) Certify qualified community solar projects for participation in the
11 program;

12 “(C) Prescribe the form and manner by which project managers may apply
13 for certification under the program; *[and]*

14 “(D) Require, by rule or order, electric companies to enter into a 20-year
15 power purchase agreement with a certified community solar project;

16 **“(E) Allow a subscriber to subscribe to projects without limit to the
17 total amount of aggregate capacity across projects or electric compa-
18 nies that the subscriber leases; and**

19 **“(F) Provide for compensation to project managers for battery en-
20 ergy storage included in a community solar project that is sufficient
21 to allow project managers to finance distributed energy storage.**

22 “(b) The commission shall adopt rules under paragraph (a)(A) of this
23 subsection that, at a minimum:

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

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

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

29 “(D) Protect the public interest.

30 “(c) The commission may suspend the program *[adopted]* **established** un-

1 der this subsection if the commission has good cause to suspend the program.

2 “(3) A community solar project:

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

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

6 “(c) May be located anywhere in this state;

7 **“(d) May be located within an electric company’s service territory**
8 **that is different from the electric company’s service territory within**
9 **which subscribers of the community solar project are located;**

10 **“(e) May have up to 20 megawatts of nameplate capacity; and**

11 **“(f) May include and utilize one or more battery energy storage**
12 **systems that stores electrical energy generated by the community so-**
13 **lar project.**

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

16 “(a) In this state; and

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

18 “(5)(a) A project manager may offer proportional ownership in or propor-
19 tional subscriptions to a community solar project in any amount that does
20 not exceed a potential owner’s or potential subscriber’s average annual con-
21 sumption of electricity.

22 “(b) Any value associated with the generation of electricity in excess of
23 an offer to own or subscribe to a community solar project as limited by
24 paragraph (a) of this subsection must be used by the electric company pro-
25 curing electricity from the community solar project in support of low-income
26 residential customers of the electric company.

27 “(6)(a) Except as provided in paragraph (b) of this subsection, an electric
28 company shall credit an owner’s or subscriber’s electric bill for the amount
29 of electricity generated by a community solar project for the owner or sub-
30 scriber in a manner that reflects the resource value of solar energy. For

1 purposes of this paragraph, the commission shall determine the resource
2 value of solar energy.

3 “(b) The commission may adopt a rate for an electric company to use in
4 crediting an owner’s or subscriber’s electric bill other than the rate de-
5 scribed in paragraph (a) of this subsection if the commission has good cause
6 to adopt the different rate.

7 **“(7) As part of the program established under this section, the**
8 **commission shall require electric companies to:**

9 **“(a) Allow a community solar project to apply through the electric**
10 **company’s dedicated interconnection queue for community solar**
11 **projects only if the project’s capacity is less than 50 percent of the**
12 **minimum daytime load of the substation to which the project is pro-**
13 **posed to interconnect. The commission may increase or decrease the**
14 **threshold percentage under this paragraph if the commission finds**
15 **that increasing or decreasing the threshold percentage will, for com-**
16 **munity solar projects, taking into consideration any increases in ca-**
17 **capacity or project sizes, improve the interconnection process and**
18 **decrease interconnection queue wait time.**

19 **“(b) Allow a community solar project that has a nameplate capacity**
20 **that is less than two megawatts to use an interconnection process that**
21 **is established for net metering facilities under ORS 757.300.**

22 **“(c) Provide an expedited interconnection process for community**
23 **solar projects that include and utilize battery energy storage systems.**

24 **“(d) Allow a project manager to hire a third-party contractor to**
25 **build, in consultation with the electric company, interconnection up-**
26 **grades.**

27 **“(8) After public hearing, the commission by order shall adopt a**
28 **schedule establishing penalties that may be imposed on an electric**
29 **company for unreasonably delaying the interconnection process for a**
30 **community solar project and the time allowed for an electric company**

1 to take action necessary to correct the delay.

2 “(9) The commission shall establish a cap on the total generating
3 capacity of the community solar projects operating under the program
4 established under this section for which an electric company is re-
5 quired to allow to participate in the electric company’s service terri-
6 tory by the following amounts:

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

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

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

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

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

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

20 “[~~(7)(a)~~] (10)(a) Except as otherwise provided in this section, owners and
21 subscribers shall bear the costs and benefits of constructing and operating
22 a community solar project.

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

30 “(c) All start-up costs prudently incurred during the development or

1 modification of the program established under this section are recoverable
2 in the rates of an electric company.

3 “(d) Owners and subscribers shall bear all ongoing costs incurred during
4 the continued administration of the program established under this section.

5 “[8] **(11)** Owners and subscribers own all renewable energy certificates
6 established under ORS 469A.130 that are associated with the generation of
7 electricity by a community solar project, in proportion to the owner’s pro-
8 portional ownership in or the subscriber’s proportional subscription to the
9 community solar project.

10 “[9] **(12)** As part of the program established under this section, the
11 commission shall:

12 “(a) Determine a methodology by which 10 percent of the total generating
13 capacity of the community solar projects operated under the program will
14 be made available for use by low-income residential customers of electricity;
15 and

16 “(b) Periodically review and adjust the percentage described in paragraph
17 (a) of this subsection.

18 “**(13)(a) As part of the program established under this section, the**
19 **commission shall reserve 25 percent of the program capacity for**
20 **projects that qualify as carve-out projects.**

21 “**(b) A community solar project qualifies as a carve-out project un-**
22 **der this subsection if the project meets one of the following require-**
23 **ments:**

24 “**(A) At least 50 percent of the community solar project capacity is**
25 **reserved for low-income participants.**

26 “**(B)(i) The project manager of the community solar project is a**
27 **public entity, nonprofit entity or a renewable energy cooperative.**

28 “**(ii) As used in sub-subparagraph (i) this subparagraph, ‘renewable**
29 **energy cooperative’ means a cooperative organized under ORS chapter**
30 **62, with the purpose of developing and operating facilities to generate**

1 **electricity from renewable energy resources, as defined in ORS 757.600**
2 **(27)(a), (c) and (d), or from a type of energy listed under ORS 469A.025**
3 **(1)(c).**

4 **“(C)(i) The project manager of the community solar project is**
5 **partnered with an agent that is a federally recognized Indian tribe,**
6 **public entity or nonprofit entity;**

7 **“(ii) The agent has a central role in identifying and securing the**
8 **project site;**

9 **“(iii) The project manager and agent conduct outreach efforts to**
10 **subscribe community members that the agent represents for at least**
11 **50 percent of the community solar project capacity, including resi-**
12 **dential customers that the agent represents for at least 25 percent of**
13 **the community solar project capacity; and**

14 **“(iv) The community solar project has a nameplate capacity of 360**
15 **kilowatts alternating current or less.**

16 **“(D)(i) The project manager of the community solar project is**
17 **partnered with an agent that is a federally recognized Indian tribe,**
18 **public entity or nonprofit entity; and**

19 **“(ii) The agent conducts outreach efforts to subscribe underserved**
20 **community members for at least 50 percent of the community solar**
21 **project capacity, including residential customers for at least 25 percent**
22 **of the community solar project capacity.**

23 **“[(10)] (14) A subscription described in this section shall be considered a**
24 **lease for purposes of ORS 307.092 and 307.112.**

25 **“(15) The commission shall make public and reduce the adminis-**
26 **tration costs of the program established under this section.**

27 **“SECTION 2. The Public Utility Commission shall determine a rate**
28 **of compensation to project managers for battery energy storage in-**
29 **cluded in a community solar project under ORS 757.386 (2)(a)(F) no**
30 **later than December 31, 2026.”.**

