

SB 1582-1
(LC 265)
2/5/26 (CPA/ps)

Requested by Senator NERON MISSLIN

**PROPOSED AMENDMENTS TO
SENATE BILL 1582**

1 On page 2 of the printed bill, delete lines 22 through 45 and delete pages
2 3 through 7 and insert:

3 **“SECTION 1. Sections 2 to 5 of this 2026 Act are added to and made**
4 **a part of ORS chapter 757.**

5 **“SECTION 2. Definitions. As used in sections 2 to 5 of this 2026 Act:**

6 **“(1) ‘Aggregator’ means an entity that is identified as having re-**
7 **sponsibility, in the provision of grid services, for coordinating the op-**
8 **erations of enrolled devices of customers who, through the entity,**
9 **enroll and participate in an electric company’s distributed power plant**
10 **program.**

11 **“(2) ‘Behind-the-meter’ means the customer’s side of an electric**
12 **meter.**

13 **“(3) ‘Customer’ means a person who has an active account for**
14 **electricity services with an electric company.**

15 **“(4) ‘Distributed energy resource’ means an energy system or device**
16 **that is located behind-the-meter or a control strategy or operational**
17 **measure that occurs behind-the-meter, that:**

18 **“(a) Generates or stores energy or manages or reduces electricity**
19 **consumption; and**

20 **“(b) Is capable of delivering a measured and verified grid service.**

21 **“(5) ‘Distributed power plant’ means an aggregation of distributed**

1 **energy resources that operate in coordination to provide one or more**
2 **grid services.**

3 **“(6) ‘Electric company’ means an electric company, as defined in**
4 **ORS 757.600, that serves electricity to more than 25,000 retail electric-**
5 **ity consumers, as defined in ORS 757.600, located in this state.**

6 **“(7) ‘Energy storage device’ means a device that can store electrical**
7 **energy at one point or period of time for use at a later point or period**
8 **of time.**

9 **“(8) ‘Enrolled device’ means a distributed energy resource that is**
10 **enrolled in a distributed power plant program.**

11 **“(9) ‘Grid service’ means an energy, capacity or ancillary service**
12 **that supports electric grid operations and is provided by one or more**
13 **distributed energy resources.**

14 **“(10) ‘Zero emission electricity’ means electricity that is generated**
15 **and may be stored in a manner that does not emit greenhouse gas into**
16 **the atmosphere.**

17 **“SECTION 3. Distributed power plant program. (1)(a) Each electric**
18 **company shall develop and file with the Public Utility Commission a**
19 **distributed power plant program, consistent with the provisions of**
20 **sections 2 to 5 of this 2026 Act, for the procurement of grid services**
21 **from customers of the electric company who enroll in the program.**

22 **“(b) When an electric company files a proposed distributed power**
23 **plant program or an amendment to a distributed power plant program,**
24 **the commission shall deny, approve or modify and approve the pro-**
25 **posed program or amendment to the program.**

26 **“(c) In its review of an electric company’s proposed distributed**
27 **power plant program or amendment to a distributed power plant pro-**
28 **gram, the commission shall provide an opportunity for, and take into**
29 **consideration, input from the public and stakeholders.**

30 **“(2) Under an electric company’s distributed power plant program,**

1 the electric company:

2 “(a) Shall:

3 “(A) Offer customers of the electric company a standard offer, open
4 access tariff for grid services that are provided by distributed energy
5 resources; and

6 “(B) Develop and use a schedule of compensation and terms that is
7 based on the grid service provided and the class of distributed energy
8 resource technology that is providing the grid service; and

9 “(b) May procure grid services through a competitive process that
10 is approved by the commission.

11 “(3) Grid services that are eligible for compensation under a stand-
12 ard offer, open access tariff that is offered under an electric company’s
13 distributed power plant program may include:

14 “(a) System-wide peak load reduction;

15 “(b) Local peak demand reduction;

16 “(c) The provision of zero emission electricity to meet peak demand;

17 “(d) Avoidance or deferral of transmission or distribution upgrades
18 or capacity expansion and other location-specific grid services;

19 “(e) Voltage support for maintaining stable voltage levels in the
20 electric grid;

21 “(f) Emergency services; and

22 “(g) Any other grid services determined by the commission to sup-
23 port efficient planning or operation of the electric grid.

24 “(4) The classes of distributed energy resources technologies that
25 may provide grid services under an electric company’s distributed
26 power plant program must include, but are not limited to, the follow-
27 ing:

28 “(a) Energy storage devices that are a battery;

29 “(b) Load control devices, including, but not limited to, smart
30 thermostats, water heaters and other load control devices approved

1 **by the commission;**

2 **“(c) Solar energy systems and devices;**

3 **“(d) Electric vehicles; and**

4 **“(e) Building performance and operational strategies.**

5 **“(5) A distributed power plant program must specify the operational**
6 **parameters for each grid service based on the class of distributed en-**
7 **ergy resource technology that provides the grid service. At a mini-**
8 **mum, operational parameters must include:**

9 **“(a) The minimum and maximum number of times an enrolled de-**
10 **vice may be dispatched in a 12-month period;**

11 **“(b) The months of the year, days of the week and times of the day**
12 **that an enrolled device may be dispatched;**

13 **“(c) The maximum duration for which an enrolled device may be**
14 **dispatched; and**

15 **“(d) The notification requirements for when an enrolled device will**
16 **be dispatched, except in response to an emergency event.**

17 **“(6) A customer of an electric company may enroll:**

18 **“(a) Directly or through an aggregator in the electric company’s**
19 **distributed power plant program.**

20 **“(b) For as many grid services and as many distributed energy re-**
21 **source devices that are provided for under an electric company’s dis-**
22 **tributed power plant program. A customer may only enroll a**
23 **distributed energy resource device that the customer uses for the**
24 **customer’s benefit, but the device may be owned or maintained by the**
25 **customer or a third party.**

26 **“(7)(a) If a customer enrolls directly in an electric company’s dis-**
27 **tributed power plant program, the electric company shall provide the**
28 **customer an upfront payment and performance compensation for each**
29 **distributed energy resource device the customer enrolls in the pro-**
30 **gram.**

1 **“(b) The electric company may not require, as a condition to par-**
2 **ticipating in the program, a customer to install an additional meter**
3 **or provide a security deposit or collateral.**

4 **“(c) An electric company is allowed to communicate with, send a**
5 **dispatch signal to or verify the performance of any enrolled device**
6 **consistent with the terms of the electric company’s distributed power**
7 **plant program and any standards or requirements adopted by the**
8 **commission.**

9 **“(d) An electric company may disenroll a customer or an enrolled**
10 **device after one year of participation for repeated nonperformance of**
11 **the enrolled device. Prior to disenrolling a customer or a device, dur-**
12 **ing the course of the year, the electric company shall provide suffi-**
13 **cient notice and opportunity to cure the nonperformance. An electric**
14 **company may not assess a penalty for the nonperformance of an en-**
15 **rolled device.**

16 **“(e) An electric company may adopt reasonable requirements as**
17 **approved by the commission for participating in the electric company’s**
18 **distributed power plant program. Requirements must be objective,**
19 **transparent and no more restrictive than necessary to ensure system**
20 **reliability.**

21 **“(8)(a) If a customer enrolls through an aggregator in an electric**
22 **company’s distributed power plant program, the electric company**
23 **shall follow the provisions of subsection (7) of this section except the**
24 **electric company shall work with, communicate through and provide**
25 **all payments and compensation to the aggregator.**

26 **“(b) An aggregator shall be responsible for:**

27 **“(A) Managing the participation of the customers whom the**
28 **aggregator enrolls;**

29 **“(B) Maintaining good communication with the electric company;**

30 **“(C) Receiving dispatch signals from the electric company;**

1 **“(D) Communicating directly with and managing the performance**
2 **of the devices enrolled through the aggregator in the distributed power**
3 **plant program;**

4 **“(E) Providing the electric company with data needed to verify the**
5 **performance of the devices enrolled through the aggregator in the**
6 **distributed power plant program; and**

7 **“(F) Receiving payments and compensation from the electric com-**
8 **pany.**

9 **“(c) An aggregator shall be considered a participant of the program.**

10 **“(d) An aggregator shall comply with standards established by the**
11 **commission under section 4 of this 2026 Act.**

12 **“(e) An electric company or an affiliate of an electric company may**
13 **be an aggregator.**

14 **“(9) An electric company’s distributed power plant program may**
15 **provide for a higher upfront payment for a class of customers that is**
16 **based on the differential energy burdens on low- and moderate-income**
17 **customers and other economic, social equity or environmental justice**
18 **factors that affect affordability for certain classes of utility customers.**

19 **“(10) Under an electric company’s distributed power plant program,**
20 **a customer or aggregator shall be given the option to enter into an**
21 **agreement that sets the performance compensation rate for a period**
22 **of five years or longer. The option must be exercised by the customer**
23 **or aggregator at the time the customer, whether directly or through**
24 **an aggregator, enrolls or renews enrollment in the program.**

25 **“(11) A customer may participate in an electric company’s distrib-**
26 **uted power plant program in addition to participating in any other**
27 **program offered by the electric company. Any payment or compen-**
28 **sation that a customer receives under an electric company’s distrib-**
29 **uted power plant program shall be in addition to any incentive,**
30 **payment or credit that a customer is entitled to receive under any**

1 other program in which the customer is participating, including any
2 net metering program established pursuant to ORS 757.300.

3 “(12) A distributed energy resource that is owned by an electric
4 company or an affiliate of an electric company may not be enrolled in
5 an electric company’s distributed power plant program.

6 “(13) An electric company may contract with a third party to pro-
7 vide a distributed energy resource management system to assist the
8 electric company in implementing the electric company’s distributed
9 power plant program.

10 “(14) All prudently incurred costs associated with an electric
11 company’s distributed power plant program, including upfront pay-
12 ments and performance payments, are recoverable in the rates of an
13 electric company. The commission may allow a reasonable rate of re-
14 turn on the performance payments made by an electric company for
15 grid services provided under the electric company’s distributed power
16 plant program.

17 “**SECTION 4. Aggregators; standards.** (1) The Public Utility Com-
18 mission shall establish standards for the participation of aggregators
19 in an electric company’s distributed power plant program. The stan-
20 dards must:

21 “(a) Ensure that an electric company does not have a competitive
22 advantage over a third-party aggregator that is based on the electric
23 company’s exclusive right to provide electric services within its service
24 territory, access to customer data or market advantage.

25 “(b) Allow an aggregator to participate as an aggregator in an
26 electric company’s distributed power plant program if the aggregator
27 meets the standards established by the commission and if an electric
28 company has not asserted a reasonable objection to the aggregator’s
29 participation.

30 “(2) The commission shall establish reasonable terms and condi-

1 tions to govern the participation of aggregators in an electric
2 company's distributed power plant program. The terms and conditions
3 must provide:

4 "(a) Protocols for how an electric company and an aggregator shall
5 communicate and coordinate.

6 "(b) Under what conditions an electric company may grant, suspend
7 or revoke an aggregator's participation in the electric company's dis-
8 tributed power plant program.

9 "(3) To participate as an aggregator in an electric company's dis-
10 tributed power plant program, an aggregator shall first provide notice
11 to the commission and the electric company that the aggregator wants
12 to participate as an aggregator in the electric company's distributed
13 power plant program.

14 "(4) If an electric company receives a notice from an aggregator
15 under subsection (3) of this section, the electric company and the
16 aggregator shall enter into a data-sharing agreement that provides for
17 the protection of customer data. Under the data-sharing agreement,
18 the electric company shall provide the aggregator with all data that
19 the electric company determines is necessary for the aggregator to
20 participate as an aggregator in the electric company's distributed
21 power plant program. An electric company may share a customer's
22 data only if the customer authorizes the electric company to share the
23 customer's data with the aggregator or with other third parties.

24 "(5) At least once a year, an electric company shall provide its
25 customers:

26 "(a) A list of all aggregators with whom the customer has author-
27 ized the electric company to share the customer's data; and

28 "(b) Information on how to revoke the customer's authorization.

29 "SECTION 5. Procurement targets; performance incentives; annual
30 report. (1)(a) The Public Utility Commission shall develop and adopt:

1 “(A) Annual procurement targets, for a five-year period, for the
2 procurement of grid services under a distributed power plant program
3 approved under section 3 of this 2026 Act; and

4 “(B) Annual performance incentives for achieving those procure-
5 ment targets.

6 “(b) The procurement targets must require a meaningful annual
7 increase in the amount of grid services that an electric company pro-
8 cures under the electric company’s distributed power plant program.

9 “(c) The performance incentives:

10 “(A) Must include financial incentives for achieving procurement
11 targets; and

12 “(B) May include financial penalties for failing to achieve procure-
13 ment targets.

14 “(2) Prior to the expiration of a five-year period, the commission
15 shall develop and adopt annual procurement targets and performance
16 incentives for the subsequent five-year period.

17 “(3) If an electric company adds a grid service to the electric
18 company’s distributed power plant program tariff, the commission
19 shall develop and adopt annual procurement targets and performance
20 incentives for the grid service.

21 “(4) Annual procurement targets and performance incentives that
22 are adopted by the commission for the procurement of a grid service
23 must take effect no later than January 1 of the year following the year
24 in which the commission approves the procurement of the grid service
25 under a distributed power plant program.

26 “(5)(a) No later than January 31 of each year, each electric company
27 shall file a report with the commission on the status of the electric
28 company’s distributed power plant program. The report must include
29 a description of:

30 “(A) The total capacity enrolled in the electric company’s distrib-

1 uted power plant program;

2 “(B) The capacity enrolled based on:

3 “(i) Each grid service offered;

4 “(ii) Each class of distributed energy resource technology;

5 “(iii) Each customer class; and

6 “(iv) Customers enrolled directly and customers enrolled through

7 an aggregator;

8 “(C) The number of events called during the calendar year for each

9 grid service;

10 “(D) The aggregate performance of each class of distributed energy

11 resource technology for each grid service that a class provided; and

12 “(E) By separate accounting, the total amount of upfront payments

13 and performance payments issued for each grid service and each class

14 of distributed energy resource technology providing the grid service.

15 “(b) The report shall include recommendations for increasing par-

16 ticipation in the electric company’s distributed power plant program.

17 “(c) The commission may require a report to include additional in-

18 formation as the commission finds necessary for evaluating the status

19 of an electric company’s distributed power plant program.

20 “**SECTION 6. Initial requirements.** (1)(a) No later than July 1, 2027,

21 an electric company shall first file with the Public Utility Commission

22 the electric company’s proposed distributed power plant program un-

23 der section 3 of this 2026 Act.

24 “(b) At a minimum, the electric company’s initial distributed power

25 plant program must provide for compensation for system-wide peak

26 load reduction that is provided by an energy storage device that is a

27 battery. For system-wide peak load reduction that is provided by an

28 energy storage device that is a battery, the performance compensation

29 shall be based on the average capacity discharged from the device over

30 the course of each event during the applicable capability period,

1 measured directly at the device.

2 “(c) Notwithstanding section 3 (4) of this 2026 Act and except as
3 provided in paragraph (d) of this subsection, an electric company’s
4 initial distributed power plant program does not need to provide for
5 the following classes of distributed energy resources technologies:

6 “(A) Load control devices;

7 “(B) Solar energy systems or devices;

8 “(C) Electric vehicles; and

9 “(D) Building performance and operational strategies.

10 “(d) Where feasible, an electric company shall incorporate any ex-
11 isting programs offered by the electric company into the electric
12 company’s distributed power plant program, such as smart thermostat
13 demand response and electric vehicle charging programs.

14 “(2) Notwithstanding section 3 (1)(b) of this 2026 Act, the commis-
15 sion may not deny an electric company’s initial distributed power
16 plant program and shall either approve or modify and approve the
17 electric company’s initial distributed power plant program.

18 “(3) The commission shall develop and adopt annual procurement
19 targets and performance incentives for system-wide peak load re-
20 duction that is provided by an energy storage device that is a battery.

21 “(4) Within 12 months from the date that the commission approves
22 an electric company’s initial distributed power plant program under
23 subsection (2) of this section, the electric company shall file an
24 amendment under section 3 of this 2026 Act to the electric company’s
25 distributed power plant program. The amendment must incorporate
26 and provide for the following classes of distributed energy resources
27 technologies, to the extent the classes were not included in the electric
28 company’s initial distributed power plant program:

29 “(a) Load control devices;

30 “(b) Solar energy systems and devices;

1 “(c) Electric vehicles; and

2 “(d) Building performance and operational strategies.

3 “(5) The provisions of this section apply to an electric company that
4 exists on the effective date of this 2026 Act.

5 “(6) As used in this section, ‘electric company’ has the meaning
6 given that term in section 2 of this 2026 Act.

7 **“SECTION 7. Evaluation of limited program.** (1) As used in this
8 section, ‘electric company’ means an electric company, as defined in
9 ORS 757.600, that serves electricity to 25,000 or fewer retail electricity
10 consumers, as defined in ORS 757.600, located in this state.

11 “(2) Each electric company shall evaluate establishing a distributed
12 power plant program that provides for compensation for system-wide
13 peak load reduction that is provided by an energy storage device that
14 is a battery. The evaluation must:

15 “(a) Consider the cost savings to ratepayers who participate and
16 who do not participate in the program;

17 “(b) Provide an estimate of the cost of implementing the program
18 relative to the cost of building or obtaining other sources of capacity;
19 and

20 “(c) Consider how the program may be utilized to maximize benefits
21 in avoided generation, transmission and distribution investments.

22 “(3) An electric company shall include its evaluation in the electric
23 company’s next integrated resource plan filed with the Public Utility
24 Commission.

25 **“SECTION 8. Captions.** The section captions used in this 2026 Act
26 are provided only for the convenience of the reader and do not become
27 part of the statutory law of this state or express any legislative intent
28 in the enactment of this 2026 Act.

29 **“SECTION 9. Effective date.** This 2026 Act takes effect on the 91st
30 day after the date on which the 2026 regular session of the Eighty-third

1 Legislative Assembly adjourns sine die.”.

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