

# A-Engrossed House Bill 4042

Ordered by the House February 5  
Including House Amendments dated February 5

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

## 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.

Adds renewable marine energy to types of energy for which availability of net metering is required.

## A BILL FOR AN ACT

1  
2 Relating to net metering of energy produced by marine resources; amending ORS 757.300.

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

4 **SECTION 1.** ORS 757.300 is amended to read:

5 757.300. (1) As used in this section:

6 (a) "Customer-generator" means a user of a net metering facility.

7 (b) "Electric utility" means a public utility, a people's utility district operating under ORS  
8 chapter 261, a municipal utility operating under ORS chapter 225 or an electric cooperative organ-  
9 ized under ORS chapter 62.

10 (c) "Net metering" means measuring the difference between the electricity supplied by an elec-  
11 tric utility and the electricity generated by a customer-generator and fed back to the electric utility  
12 over the applicable billing period.

13 (d) "Net metering facility" means a facility for the production of electrical energy that:

14 (A) Generates electricity using:

15 (i) Solar power;

16 (ii) Wind power;

17 (iii) Fuel cells;

18 (iv) Hydroelectric power;

19 (v) Landfill gas;

20 (vi) Digester gas;

21 (vii) Waste;

22 (viii) Dedicated energy crops available on a renewable basis;

23 (ix) Low-emission, nontoxic biomass based on solid organic fuels from wood, forest or field resi-  
24 dues; [*or*]

25 (x) Geothermal energy; **or**

26 **(xi) Renewable marine energy, including wave energy, wave-wind hybrid energy and tidal**  
27 **energy;**

28 **(B) Is located on the customer-generator's premises, the territorial sea as defined in ORS**

**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 **196.405, or the outer continental shelf;**

2 (C) **If located on the territorial sea or the outer continental shelf, is directly intercon-**  
3 **nected to the customer-generator's premises;**

4 *[(B) Is located on the customer-generator's premises;]*

5 *[(C)]* (D) Can operate in parallel with an electric utility's existing transmission and distribution  
6 facilities; and

7 *[(D)]* (E) Is intended primarily to offset part or all of the customer-generator's requirements for  
8 electricity.

9 (2) An electric utility that offers residential and commercial electric service:

10 (a) Shall allow net metering facilities to be interconnected using a standard meter that is ca-  
11 pable of registering the flow of electricity in two directions.

12 (b) May at its own expense install one or more additional meters to monitor the flow of elec-  
13 tricity in each direction.

14 (c) May not charge a customer-generator a fee or charge that would increase the customer-  
15 generator's minimum monthly charge to an amount greater than that of other customers in the same  
16 rate class as the customer-generator. However, the Public Utility Commission, for a public utility,  
17 or the governing body, for a municipal electric utility, electric cooperative or people's utility dis-  
18 trict, may authorize an electric utility to assess a greater fee or charge, of any type, if the electric  
19 utility's direct costs of interconnection and administration of the net metering outweigh the dis-  
20 tribution system, environmental and public policy benefits of allocating such costs among the elec-  
21 tric utility's entire customer base. The commission may authorize a public utility to assess a greater  
22 fee or charge under this paragraph only following notice and opportunity for public comment. The  
23 governing body of a municipal electric utility, electric cooperative or people's utility district may  
24 assess a greater fee or charge under this paragraph only following notice and opportunity for com-  
25 ment from the customers of the utility, cooperative or district.

26 (3)(a) For a customer-generator, an electric utility shall measure the net electricity produced or  
27 consumed during the billing period in accordance with normal metering practices.

28 (b) If an electric utility supplies a customer-generator more electricity than the customer-  
29 generator feeds back to the electric utility during a billing period, the electric utility shall charge  
30 the customer-generator for the net electricity that the electric utility supplied.

31 (c) Except as provided in paragraph (d) of this subsection, if a customer-generator feeds back to  
32 an electric utility more electricity than the electric utility supplies the customer-generator during  
33 a billing period, the electric utility may charge the minimum monthly charge described in subsection  
34 (2) of this section but must credit the customer-generator for the excess kilowatt-hours generated  
35 during the billing period. An electric utility may value the excess kilowatt-hours at the avoided cost  
36 of the utility, as determined by the commission or the appropriate governing body. An electric utility  
37 that values the excess kilowatt-hours at the avoided cost shall bear the cost of measuring the excess  
38 kilowatt-hours, issuing payments and billing for the excess hours. The electric utility also shall bear  
39 the cost of providing and installing additional metering to measure the reverse flow of electricity.

40 (d) For the billing cycle ending in March of each year, or on such other date as agreed to by  
41 the electric utility and the customer-generator, any remaining unused kilowatt-hour credit accumu-  
42 lated during the previous year shall be granted to the electric utility for distribution to customers  
43 enrolled in the electric utility's low-income assistance programs, credited to the customer-generator  
44 or dedicated for other use as determined by the commission, for a public utility, or the governing  
45 body, for a municipal electric utility, electric cooperative or people's utility district, following notice

1 and opportunity for public comment.

2 (4)(a) A net metering facility shall meet all applicable safety and performance standards estab-  
3 lished in the state building code. The standards shall be consistent with the applicable standards  
4 established by the National Electrical Code, the Institute of Electrical and Electronics Engineers  
5 and Underwriters Laboratories or other similarly accredited laboratory.

6 (b) Following notice and opportunity for public comment, the commission, for a public utility,  
7 or the governing body, for a municipal electric utility, electric cooperative or people's utility dis-  
8 trict, may adopt additional control and testing requirements for customer-generators to protect  
9 public safety or system reliability.

10 (c) An electric utility may not require a customer-generator whose net metering facility meets  
11 the standards in paragraphs (a) and (b) of this subsection to comply with additional safety or per-  
12 formance standards, perform or pay for additional tests or purchase additional liability insurance.  
13 However, an electric utility shall not be liable directly or indirectly for permitting or continuing to  
14 allow an attachment of a net metering facility, or for the acts or omissions of the customer-  
15 generator that cause loss or injury, including death, to any third party.

16 (5) Nothing in this section is intended to prevent an electric utility from offering, or a  
17 customer-generator from accepting, products or services related to the customer-generator's net  
18 metering facility that are different from the net metering services described in this section.

19 (6) The commission, for a public utility, or the governing body, for a municipal electric utility,  
20 electric cooperative or people's utility district, may not limit the cumulative generating capacity of  
21 solar, wind, geothermal, **renewable marine**, fuel cell and microhydroelectric net metering systems  
22 to less than one-half of one percent of a utility's, cooperative's or district's historic single-hour peak  
23 load. After a cumulative limit of one-half of one percent has been reached, the obligation of a public  
24 utility, municipal electric utility, electric cooperative or people's utility district to offer net metering  
25 to a new customer-generator may be limited by the commission or governing body in order to bal-  
26 ance the interests of retail customers. When limiting net metering obligations under this subsection,  
27 the commission or the governing body shall consider the environmental and other public policy  
28 benefits of net metering systems. The commission may limit net metering obligations under this  
29 subsection only following notice and opportunity for public comment. The governing body of a mu-  
30 nicipal electric utility, electric cooperative or people's utility district may limit net metering obli-  
31 gations under this subsection only following notice and opportunity for comment from the customers  
32 of the utility, cooperative or district.

33 (7) The commission or the governing body may adopt rules or ordinances to ensure that the  
34 obligations and costs associated with net metering apply to all power suppliers within the service  
35 territory of a public utility, municipal electric utility, electric cooperative or people's utility district.

36 (8) This section applies only to net metering facilities that have a generating capacity of 25  
37 kilowatts or less, except that the commission by rule may provide for a higher limit for customers  
38 of a public utility.

39 (9) Notwithstanding subsections (2) to (8) of this section, an electric utility serving fewer than  
40 25,000 customers in Oregon that has its headquarters located in another state and offers net me-  
41 tering services or a substantial equivalent offset against retail sales in that state shall be deemed  
42 to be in compliance with this section if the electric utility offers net metering services to its cus-  
43 tomers in Oregon in accordance with tariffs, schedules and other regulations promulgated by the  
44 appropriate authority in the state where the electric utility's headquarters are located.

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