

B-Engrossed
House Bill 2941

Ordered by the Senate June 9
Including House Amendments dated April 23 and Senate Amendments
dated June 9

Sponsored by Representative HOLVEY

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.

Authorizes electric company to offer residential electricity consumer rate option for electricity associated with specific energy resource.

Directs Public Utility Commission to evaluate programs that incentivize development and use of solar photovoltaic energy systems and submit report to Legislative Assembly on recommendations related to those programs.

Directs commission to hold proceeding to examine range of community solar programs and attributes of different community solar designs that allow individual customers to share in costs and benefits of solar facilities.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to solar energy; creating new provisions; amending ORS 757.603; and declaring an emer-
3 gency.

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

5 **SECTION 1.** ORS 757.603 is amended to read:

6 757.603. (1)(a) Except as provided in this subsection, [*on and after March 1, 2002,*] an electric
7 company shall provide all retail electricity consumers that are connected to the electric company's
8 distribution system with a regulated, cost-of-service rate option.

9 (b) The Public Utility Commission by order may waive the requirement of paragraph (a) of this
10 subsection for any retail electricity consumer other than residential electricity consumers and small
11 commercial electricity consumers. [*A waiver under this paragraph may not take effect before July 1,*
12 *2003.*] Before ordering a waiver under this paragraph, the commission shall conduct such studies as
13 the commission deems necessary and provide notice and opportunity for public comment and
14 hearings. The commission may order a waiver under this paragraph if the commission finds, based
15 on an evidentiary record developed through public comment and hearings, that a market exists in
16 which retail electricity consumers subject to the waiver are able to:

17 (A) Purchase supplies of electricity adequate to meet the needs of the retail electricity con-
18 sumers;

19 (B) Obtain multiple offers for electricity supplies within a reasonable period of time;

20 (C) Obtain reliable supplies of electricity; and

21 (D) Purchase electricity at prices that are not unduly volatile and that are just and reasonable.

22 (2) [*Not later than March 1, 2002,*] Each electric company shall provide each residential elec-
23 tricity consumer that is connected to its distribution system a portfolio of rate options. The port-

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 folio shall include at least the following options:

2 (a) A rate that reflects significant new renewable energy resources; *[and]*

3 (b) A market-based rate^[.]; **and**

4 (c) **If the commission finds, through public comment and hearing or through market re-**
5 **search conducted by the electric company, that demand is sufficient to justify the rate, a**
6 **rate option for electricity associated with a specific renewable energy resource, including**
7 **solar photovoltaic energy.**

8 (3)(a) The commission shall regulate the cost-of-service rate option under subsection (1) of this
9 section and the portfolio of rate options under subsection (2) of this section. The commission shall
10 reasonably ensure that the costs and risks of serving each option are reflected in the rates for each
11 option.

12 (b) The commission may prohibit or otherwise limit the use of a cost-of-service rate by retail
13 electricity consumers who have been served through direct access, and may limit switching among
14 portfolio options and the cost-of-service rate by residential electricity consumers.

15 **SECTION 2. (1) The Public Utility Commission shall evaluate programs identified by the**
16 **commission that incentivize the development and use of solar photovoltaic energy systems**
17 **and shall submit a report to the Legislative Assembly, that:**

18 (a) **Recommends the most effective, efficient and equitable approach to incentivizing the**
19 **development and use of solar photovoltaic energy systems in this state; and**

20 (b) **For each program, makes a recommendation on whether the program should be dis-**
21 **continued, modified or extended or should remain unchanged.**

22 (2) **In developing recommendations under subsection (1) of this section, the commission**
23 **shall consider:**

24 (a) **The resource value of solar energy;**

25 (b) **How to minimize confusion and transaction costs for persons who participate in pro-**
26 **grams that incentivize the development and use of solar photovoltaic energy systems;**

27 (c) **The costs borne by persons who do not participate in programs that incentivize the**
28 **development and use of solar photovoltaic energy systems;**

29 (d) **The commission's study of the effectiveness of programs that incentivize the devel-**
30 **opment and use of solar photovoltaic energy systems prepared pursuant to section 4, chapter**
31 **244, Oregon Laws 2013;**

32 (e) **The costs and benefits of each program that incentivizes the development and use of**
33 **solar photovoltaic energy systems; and**

34 (f) **Any other factors deemed relevant by the commission.**

35 (3) **The commission shall consult with the State Department of Energy in conducting the**
36 **study and making the report required by subsection (1) of this section.**

37 (4) **The commission shall submit the report required by subsection (1) of this section,**
38 **including any recommendations for legislation, to the interim committees of the Legislative**
39 **Assembly related to energy on or before September 15, 2016.**

40 **SECTION 3. (1) The Public Utility Commission shall hold a proceeding that includes op-**
41 **portunity for public comment, in a manner determined by the commission, for the purpose**
42 **of examining a range of community solar programs and the attributes of different commu-**
43 **nity solar program designs that allow individual customers to share in the costs and benefits**
44 **of solar facilities. For purposes of this subsection, attributes of different community solar**
45 **program designs include ownership structure, eligibility criteria, length and terms of con-**

1 **tracts, subscription pricing and how bill credits are calculated.**

2 **(2) As part of the proceeding held under subsection (1) of this section, the commission**
3 **shall consider:**

4 **(a) Individual ratepayer access to a specific solar resource;**

5 **(b) Costs to community solar program subscribers and non-subscribers;**

6 **(c) The role of utilities; and**

7 **(d) Any other reasonable consideration related to community solar program designs.**

8 **(3) The commission shall recommend a community solar program design, or a set of**
9 **preferred attributes of different community solar program designs, that best balances the**
10 **resource value benefits, costs and impacts to ratepayers to the interim committees of the**
11 **Legislative Assembly related to energy and business on or before November 1, 2015.**

12 **SECTION 4. This 2015 Act being necessary for the immediate preservation of the public**
13 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
14 **on its passage.**