

Requested by HOUSE COMMITTEE ON ENERGY AND ENVIRONMENT

**PROPOSED AMENDMENTS TO
HOUSE BILL 4036**

1 On page 2 of the printed bill, line 14, delete “all” and insert “the”.

2 In line 21, after “decommissioning” insert “or remediation”.

3 On page 4, line 39, delete “by” and insert “from a renewable energy source
4 that becomes operational on or before the effective date of this 2016 Act, or
5 for”.

6 Delete lines 40 and 41.

7 In line 43, delete “by” and insert “from”.

8 On page 5, line 7, delete the first “by” and insert “from” and after
9 “that” delete the rest of the line and line 8 and insert “becomes operational
10 between”.

11 In line 11, delete “by” and insert “from”.

12 In line 18, delete the first “by” and insert “from” and after “that” delete
13 the rest of the line and insert “becomes operational between”.

14 Delete line 19.

15 In line 22, delete “by” and insert “from”.

16 In line 31, delete “by” and insert “from”.

17 On page 7, line 8, delete “(5)” and insert “(5)(a)” and delete “an electric
18 company” and insert “another electric utility”.

19 In line 9, delete “electric company” and insert “electric utility from which
20 service territory was acquired”.

21 In line 10, after the first “the” insert “acquiring”.

1 In line 11, delete “electric company” and insert “electric utility from
2 which service territory was acquired”.

3 After line 12, insert:

4 “(b) Nothing in this subsection authorizes the acquisition of service ter-
5 ritory of a people’s utility district organized under ORS chapter 261 by a
6 municipal electric utility.”.

7 After line 41, insert:

8 **“SECTION 6a. As used in ORS 469A.005 to 469A.210, ‘acquires service
9 territory’ does not include an acquisition by a city of a facility, plant,
10 equipment or service territory within the boundaries of the city pur-
11 suant to ORS 225.020 or city charter, if the city:**

12 **“(1) Already owns, controls or operates an electric light and power
13 system for supplying electricity to the inhabitants of the city and for
14 general municipal purposes;**

15 **“(2) Provides fair, just and reasonable compensation to the electric
16 company whose territory is acquired that:**

17 **“(a) Gives consideration for the cost of the facility, plant, equip-
18 ment or service territory acquired, and for depreciation, fair market
19 value, reproduction cost and any other relevant factor; and**

20 **“(b) Is based on the present value of the facility, plant, equipment
21 or service territory acquired, including the value of poles, wires,
22 transformers and similar and related appliances necessarily required
23 to provide electric service; and**

24 **“(3) Pays any stranded costs obligation established pursuant to
25 section 14 of this 2016 Act.”.**

26 On page 8, line 16, delete “for” and insert “with”.

27 In line 17, delete “acquired” and insert “associated”.

28 In line 34, delete “acquired for” and insert “associated with”.

29 In line 38, delete “acquired for” and insert “associated with”.

30 On page 9, lines 6 through 8, restore the bracketed material and delete

1 the boldfaced material.

2 Delete line 45.

3 On page 10, delete lines 1 through 7 and insert:

4 **“SECTION 11.** Upon its own motion or at the request of an electric
5 company, the Public Utility Commission may open an investigation to de-
6 termine whether an electric company’s compliance with one or more of the
7 requirements of ORS 469A.052 is likely to result in conflicts with or com-
8 promises to the electric company’s obligation to comply with the mandatory
9 and enforceable reliability standards of the North American Electric Reli-
10 ability Corporation. An electric company making a request under this sub-
11 section must submit an application to the commission that includes:”.

12 In line 14, after the first “the” insert “mandatory and enforceable”.

13 In line 18, after the first “the” insert “mandatory and enforceable”.

14 In line 20, after “(a)” insert “Notwithstanding ORS 469A.052,”.

15 In line 35, delete “made in a form and manner pre-”.

16 In line 36, delete “scribed by the Public Utility Commission, the commis-
17 sion” and insert “the Public Utility Commission”.

18 On page 11, line 11, after “(2)” insert “Upon the request of an electric
19 company,”.

20 In line 22, delete “shall” and insert “may”.

21 On page 12, line 6, after “may” insert “annually”.

22 In line 18, delete “quality” and insert “benefits”.

23 In line 22, delete “quality” and insert “benefits”.

24 Delete lines 23 through 27 and insert:

25 “(3) For the purpose of ensuring prudent investments by an electric com-
26 pany in energy efficiency and demand response before the electric company
27 acquires new generating resources, and in order to produce cost-effective
28 energy savings, reduce customer demand for energy, reduce overall electrical
29 system costs, increase the public health and safety and improve environ-
30 mental benefits, each electric company serving customers in this state

1 shall:”.

2 On page 14, line 15, delete “Projects” and insert “Programs”.

3 Delete lines 17 through 45.

4 On page 15, delete lines 1 through 31 and insert:

5 **“SECTION 19. (1) As used in this section:**

6 **“(a) ‘Community solar program’ means a program by which an**
7 **electric company procures electricity from community solar projects.**

8 **“(b) ‘Community solar project’ means a project for the generation**
9 **of electricity that allows the customers of an electric company an op-**
10 **portunity to buy solar energy from a shared solar resource and to**
11 **share in the costs, risks and benefits of solar projects through the**
12 **customer’s electric bill.**

13 **“(c) ‘Electric company’ has the meaning given that term in ORS**
14 **757.600.**

15 **“(2) The Public Utility Commission shall require each electric**
16 **company to implement a community solar program and adopt rules for**
17 **the implementation of community solar programs. As part of the**
18 **rules, the commission shall:**

19 **“(a) Establish a program capacity cap for each electric company.**
20 **The initial community solar program capacity cap for each electric**
21 **company must be based on the 2015 peak load of the electric company.**
22 **The commission may adjust the community solar program capacity**
23 **cap for each electric company.**

24 **“(b) Prescribe what qualifies a community solar project to partic-**
25 **ipate in a community solar program.**

26 **“(c) Certify qualified community solar projects for participation in**
27 **a community solar program.**

28 **“(d) Require electric companies to enter into 20-year power pur-**
29 **chase agreements with certified community solar projects, excepting**
30 **those circumstances where the parties to a power purchase agreement**

1 agree to enter into a power purchase agreement for a shorter duration.

2 “(e) Require that subscribers to a community solar project sub-
3 scribe to the community solar project for a minimum term.

4 “(f) Minimize the shifting of costs from community solar programs
5 to ratepayers who do not subscribe to a community solar project.

6 “(g) Protect the public interest.

7 “(3) A community solar project:

8 “(a) Must have a generating capacity between 25 kilowatts and 2
9 megawatts;

10 “(b) May be owned by any person;

11 “(c) Must be located in this state; and

12 “(d) May be located anywhere in this state.

13 “(4) The owner or operator of a community solar project may offer
14 subscriptions for the generation of electricity only to residential and
15 small commercial consumers of electricity.

16 “(5)(a) The owner or operator of a community solar project may
17 offer individual subscriptions for the generation of electricity, as de-
18 scribed in subsection (4) of this section, in any amount that does not
19 exceed the subscriber’s annual load.

20 “(b) Annually, an electric company shall distribute to the low-
21 income residential customers of the electric company, as part of any
22 low-income assistance program administered by the electric company,
23 any credit to an electric bill as provided for in subsection (6) of this
24 section in excess of the subscriber’s average annual load.

25 “(6)(a) Except as provided in paragraph (b) of this subsection, an
26 electric company shall credit a subscriber’s electric bill for the amount
27 of electricity generated by a community solar project for the sub-
28 scriber in an amount that equals the resource value of solar. For
29 purposes of this paragraph, the commission shall determine the re-
30 source value of solar.

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

5 **“(7)(a) The costs, risks and benefits of a community solar project**
6 **shall be borne by the owner, operator or developer of the community**
7 **solar project and by subscribers to the community solar project.**

8 **“(b) All start-up costs prudently incurred by an electric company**
9 **during the development of a community solar program are recoverable**
10 **in the rates of an electric company and are payable by all ratepayers**
11 **of the electric company.**

12 **“(c) All ongoing costs incurred during the continued administration**
13 **of a community solar program must be borne by the owner or operator**
14 **of the community solar project and by subscribers to the community**
15 **solar project.**

16 **“(8) A subscriber to a community solar project owns all renewable**
17 **energy certificates provided for in the system established under ORS**
18 **469A.130 that are associated with the electricity generated by the**
19 **community solar project, in proportion to the subscriber’s sub-**
20 **scription.**

21 **“(9) As part of the community solar program established under this**
22 **section, the commission shall:**

23 **“(a) Identify low-income residential customers of electricity;**

24 **“(b) Determine a methodology by which 10 percent of the total**
25 **generating capacity of the community solar projects operated under**
26 **the program will be made available for use by low-income residential**
27 **customers of electricity; and**

28 **“(c) Periodically review and adjust the percentage described in par-**
29 **agraph (b) of this subsection.**

30 **“SECTION 20. Subject to the provisions of section 19 of this 2016**

1 **Act, in establishing by rule the plan for the implementation of a**
2 **community solar program by each electric company under section 19**
3 **of this 2016 Act, the Public Utility Commission shall adopt rules that**
4 **are consistent with the preferred attributes for the design of commu-**
5 **nity solar programs as recommended by the commission to the Legis-**
6 **lative Assembly on October 26, 2015.”.**

7 In line 32, delete “January” and insert “July”.

8 On page 17, line 4, after “may” insert “annually”.

9 In line 7, delete “September” and insert “December”.

10 In line 8, delete “30” and insert “31”.

11 After line 8, insert:

12 **“SECTION 27. On or before July 1, 2017, the Public Utility Com-**
13 **mission shall:**

14 **“(1) Require each electric company to implement a community solar**
15 **program; and**

16 **“(2) Adopt rules for the implementation of community solar pro-**
17 **grams as required by section 19 of this 2016 Act.”.**

18 In line 9, delete “27” and insert “28”.

19 In line 12, delete “28” and insert “29”.

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