

Senate Bill 84

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Theodore R. Kulongoski for Public Utility Commission)

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 **as introduced**.

Modifies laws requiring electric utilities to allow net metering for customers that have facilities for generation of electricity. Allows those customers to use biomass generation in addition to solar power, wind power, fuel cells and hydroelectric power. Allows Public Utility Commission to extend requirements of net metering law to customer-generator with generating capacity of more than 25 kilowatts if customer-generator is customer of public utility.

A BILL FOR AN ACT

1
2 Relating to net metering facilities; 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) [*Uses solar, wind, fuel cell or hydroelectric power to generate electricity*] **Generates elec-**
15 **tricity using solar power, wind power, fuel cells, hydroelectric power, landfill gas, digester**
16 **gas, waste, dedicated energy crops available on a renewable basis or low-emission, nontoxic**
17 **biomass based on solid organic fuels from wood, forest or field residues;**

18 [*(B) Has a generating capacity of not more than 25 kilowatts;*]

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

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

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

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

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

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

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 (c) May not charge a customer-generator a fee or charge that would increase the customer-
2 generator's minimum monthly charge to an amount greater than that of other customers in the same
3 rate class as the customer-generator. However, the Public Utility Commission, for a public utility,
4 or the governing body, for a municipal electric utility, electric cooperative or people's utility dis-
5 trict, may authorize an electric utility to assess a greater fee or charge, of any type, if the electric
6 utility's direct costs of interconnection and administration of the net metering outweigh the dis-
7 tribution system, environmental and public policy benefits of allocating such costs among the elec-
8 tric utility's entire customer base. The commission may authorize a public utility to assess a greater
9 fee or charge under this paragraph only following notice and opportunity for public comment. The
10 governing body of a municipal electric utility, electric cooperative or people's utility district may
11 assess a greater fee or charge under this paragraph only following notice and opportunity for com-
12 ment from the customers of the utility, cooperative or district.

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

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

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

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

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

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

42 (c) An electric utility may not require a customer-generator whose net metering facility meets
43 the standards in paragraphs (a) and (b) of this subsection to comply with additional safety or per-
44 formance standards, perform or pay for additional tests or purchase additional liability insurance.
45 However, an electric utility shall not be liable directly or indirectly for permitting or continuing to

1 allow an attachment of a net metering facility, or for the acts or omissions of the customer-
2 generator that cause loss or injury, including death, to any third party.

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

6 (6) The commission, for a public utility, or the governing body, for a municipal electric utility,
7 electric cooperative or people's utility district, may not limit the cumulative generating capacity of
8 solar, wind, fuel cell and microhydroelectric net metering systems to less than one-half of one per-
9 cent of a utility's, cooperative's or district's historic single-hour peak load. After a cumulative limit
10 of one-half of one percent has been reached, the obligation of a public utility, municipal electric
11 utility, electric cooperative or people's utility district to offer net metering to a new customer-
12 generator may be limited by the commission or governing body in order to balance the interests of
13 retail customers. When limiting net metering obligations under this subsection, the commission or
14 the governing body shall consider the environmental and other public policy benefits of net metering
15 systems. The commission may limit net metering obligations under this subsection only following
16 notice and opportunity for public comment. The governing body of a municipal electric utility,
17 electric cooperative or people's utility district may limit net metering obligations under this sub-
18 section only following notice and opportunity for comment from the customers of the utility, coop-
19 erative or district.

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

23 **(8) This section applies only to net metering facilities that have a generating capacity of**
24 **25 kilowatts or less, except that the commission by rule may provide for a higher limit for**
25 **customers of a public utility.**

26 [(8)] (9) Notwithstanding subsections (2) to [(7)] (8) of this section, an electric utility serving
27 fewer than 25,000 customers in Oregon that has its headquarters located in another state and offers
28 net metering services or a substantial equivalent offset against retail sales in that state shall be
29 deemed to be in compliance with this section if the electric utility offers net metering services to
30 its customers in Oregon in accordance with tariffs, schedules and other regulations promulgated by
31 the appropriate authority in the state where the electric utility's headquarters are located.

32