

July 14, 2015

Dear Filing Center:

Please assign a UM docket number and open a docket to comply with Section 3 of HB 2941 (2015), which requires the PUC to provide the legislature with a recommendation regarding a community solar program design and its attributes by November 1, 2015.

HB 2941 is attached and available here:

<https://olis.leg.state.or.us/liz/2015R1/Downloads/MeasureDocument/HB2941>

Thank you,

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Enrolled House Bill 2941

Sponsored by Representative HOLVEY

CHAPTER

AN ACT

Relating to solar energy; creating new provisions; amending ORS 757.603; and declaring an emergency.

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

SECTION 1. ORS 757.603 is amended to read:

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

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

- (A) Purchase supplies of electricity adequate to meet the needs of the retail electricity consumers;
- (B) Obtain multiple offers for electricity supplies within a reasonable period of time;
- (C) Obtain reliable supplies of electricity; and
- (D) Purchase electricity at prices that are not unduly volatile and that are just and reasonable.

(2) [*Not later than March 1, 2002,*] Each electric company shall provide each residential electricity consumer that is connected to its distribution system a portfolio of rate options. The portfolio shall include at least the following options:

- (a) A rate that reflects significant new renewable energy resources; [*and*]
- (b) A market-based rate[.]; **and**

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

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

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

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

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

(b) For each program, makes a recommendation on whether the program should be discontinued, modified or extended or should remain unchanged.

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

(a) The resource value of solar energy;

(b) How to minimize confusion and transaction costs for persons who participate in programs that incentivize the development and use of solar photovoltaic energy systems;

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

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

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

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

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

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

SECTION 3. (1) The Public Utility Commission shall hold a proceeding that includes opportunity for public comment, in a manner determined by the commission, for the purpose of examining a range of community solar programs and the attributes of different community solar program designs that allow individual customers to share in the costs and benefits of solar facilities. For purposes of this subsection, attributes of different community solar program designs include ownership structure, eligibility criteria, length and terms of contracts, subscription pricing and how bill credits are calculated.

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

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

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

(c) The role of utilities; and

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

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

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

Passed by House April 29, 2015

Repassed by House June 16, 2015

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate June 11, 2015

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Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2015

Approved:

.....M,....., 2015

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2015

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Jeanne P. Atkins, Secretary of State