

AR 674: Rulemaking to Amend OAR 860-091, Small-Scale Renewable Energy Projects

Draft Proposed Rule Amendments

This document describes and presents the Oregon Public Utility Commission Staff's (Staff) draft proposed rule amendments in the AR 674 Rulemaking to Amend OAR 860-091, Small-Scale Renewable (SSR) Energy Projects, and announces that Staff no longer plans to hold a second workshop due to insufficient stakeholder availability.

Background

On August 5, 2025, Staff released a [straw proposal](#) with suggested amendments to OAR 860-091. Staff held a workshop to discuss its proposal on August 21, 2025, and stakeholders provided feedback through comments submitted on September 11, 2025. Staff was unable to find a time for a follow up workshop that works for the majority of participants, but will be available to meet with interested stakeholders on request prior to the second comment deadline on **October 13, 2025**.

The remaining events for this rulemaking are listed below:

Event	Date
Final Comment Deadline	October 13, 2025
Public Meeting to Request Formal Rulemaking	October 28, 2025

A summary of Staff's draft proposed rule amendments

A redline version of Staff's proposed changes to OAR 860-091 is included in Appendix 1 to this filing. Additions to the current rules are bolded and deletions are stricken through. Staff maintains its primary goals of treating the SSR requirement as a generating capacity standard; preserving the value proposition of resources with system and community value; and creating clear criteria for calculating compliance that can be planned for by utilities and SSR project developers and align with the intent of the laws and state policy.

Most of the items presented in Staff's straw proposal are reflected in Staff's draft rules. However, one notable difference is the absence of denominator subtractions from the draft rules. Storage resources and demand response/flexible load programs continue to be excluded from the calculation of aggregate electrical capacity (AEC), as in the straw proposal, but under the draft rules AEC is not decremented by their capacity. Staff removed these denominator subtractions on consideration of concerns expressed by stakeholders in the first workshop and comments. Further, Staff has determined that their impact on participants' compliance positions would likely be minimal.

In addition, Staff did not include language related to surplus or shared interconnection agreements in its draft rules. Staff continues to believe that a generating capacity standard would count the full nameplate capacity of an SSR eligible resource that uses surplus interconnection or shares an interconnection agreement with other resources provided there are guards in place to protect against gaming from large projects. Staff currently believes that eligibility for these projects and protections against large project gaming can be achieved most simply by not placing any new language in the rules.

September 25, 2025



However, Staff welcomes input from stakeholders on any appropriate rule changes to accommodate this approach.

Lastly, one item raised in comments but not included in Staff's draft rules is whether procured SSRs that have not achieved commercial operation should count for compliance.¹ Staff is interested in preserving the value proposition of executed contracts but wants to continue to encourage developers and utilities to process interconnections and contracts expediently. Staff has not specified this in a rule but is interested in further feedback from stakeholders about whether to count projects that are contracted, but not operational, at the time of compliance.

Next Steps

Staff invites stakeholders to weigh in on any part of Staff's draft proposed rule amendments and requests that these comments be filed no later than **Monday, October 13, 2025**, so that Staff may consider comments prior to preparing the Staff Report. In particular, as noted above, Staff is interested in stakeholders' suggestions for interconnection-related rule language and thoughts on whether commercial operation should be necessary for SSR eligibility.

Questions

If you have questions on this docket, please contact:

/s/ Jean Falconer

Jean Falconer
Energy Rates and Regulatory Strategy
503-400-0219
Jean.Falconer@puc.oregon.gov

To receive meeting notices and agendas for this docket, send an email to puc.hearings@state.or.us, and ask to be added to the service list for Docket No. AR 674. You will then receive emails with workshop details, when new documents have been added to the docket, or there is a change to the schedule.

¹ [PacifiCorp Comments on Staff's Straw Proposal](#), page 9.

Appendix 1: Small-Scale Renewable Energy Project Standard Draft Proposed Rules, Chapter 860, Division 091

****NOT FOR PUBLICATION****

The following draft administrative rules have been prepared as a working draft for purposes of discussion. These rules have not been approved for publication or for any other use by Staff or the Public Utility Commission of Oregon. A notice of proposed rulemaking has not been issued on this subject.

OAR 860-091-0000

Applicability of Rules

(1) The provisions of this Chapter apply to electric companies subject to ORS 469A.210.

(2) Upon request or its own motion, the Commission may waive any of the division 091 rules for good cause shown. A request for waiver must be made in writing, unless otherwise allowed by the Commission.

OAR 860-091-0010

Definitions

For purposes of OAR 860-091-0000 through 860-091-0040:

(1) "Electric company" has the meaning in ORS 756.005.

(2) "Nameplate capacity" means the full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovoltamperes, kilowatts, volts, or other appropriate units. Nameplate capacity is usually indicated on a nameplate attached to the individual machine or device.

OAR 860-091-0020

Aggregate Electrical Capacity

(1) For purposes of compliance with the standard in ORS 469A.210(2), each electric company's aggregate electrical capacity is the total nameplate capacity of the electric company's generation resources to serve Oregon load. ~~These resources include:~~

(a) Aggregate electrical capacity includes:

(Aa) The nameplate capacity of aAll owned **generation** resources **used to serve Oregon load;** and

(Bb) The annual average nameplate capacity of all **generation** resources **used to serve Oregon load** under a power purchase agreement with a term of at least five years.

(b) Aggregate electrical capacity does not include:

(A) The nameplate capacity of storage resources; and

(B) The nameplate capacity of small-scale energy resources that the electric company applies to meeting the standard in a compliance period, consistent with OAR 860-091-0030(3).

(2) For electric companies making retail sales in multiple jurisdictions, the nameplate capacity of generation resources to serve Oregon load is the total nameplate capacity of the electric company's system generation allocated to Oregon retail customers.

(3) For purposes of establishing compliance with the standard in ORS 469A.210(2), an electric company shall calculate its aggregate electrical capacity based on a measurement taken 12 months prior to the date on which it is required to file a compliance report under OAR 860-091-0040.

OAR 860-091-0030

Eligible Renewable Energy Projects

(1) For purposes of compliance with the standard in ORS 469A.210(2), the contribution of each eligible renewable energy project towards an electric company's compliance with the standard is its total nameplate capacity.

(2)(1) An electric company may use one or more of the following resources and project types ~~used~~ Projects used to comply with the standard in ORS 469A.210(2) when they also meet the criteria in ORS 469A.210(2)(a) or (b):

(a) ~~must be an~~ An Oregon Renewable Portfolio Standard-eligible ~~approved~~ generation type. An electric company is not required to obtain or retain for retirement purposes the renewable energy certificates that may be associated with a project;

(b) Community Solar Program projects that are certified by the Commission under OAR Chapter 860, Division 088 and to which the electric company's customers are eligible to subscribe; and

(c) Front-of-meter resources incorporated into a microgrid or other resilience project configuration.

(3) Resources and project types that may not be used to comply with the standard in ORS 469A.210(2) include:

(a) Net-metering facilities as defined in OAR 860-039-0005; and

(b) Energy storage systems as defined in OAR 860-082-0015.

(4) (2) The eligible portion of a project's capacity used to comply with the standard in ORS 469A.210(2) is the percentage of annual project costs paid for by Oregon retail customers.

OAR 860-091-0040

Compliance Reports

(1) No later than July 1, 2029, and no later than July 1 for each year thereafter, the electric company must file a report with the Commission demonstrating compliance or explaining in detail any failure to comply, with the standard in ORS 469A.210(2).

(2) The report required in section (1) of this rule must include the following information associated with each owned or contracted eligible renewable energy project:

September 25, 2025



- (a) The name of the facility;
 - (b) The type of renewable resource
 - (c) In-service date of the facility;
 - (d) The nameplate capacity rating;
 - (e) For multi-jurisdictional utilities, the percentage of each eligible small-scale facility's costs paid for by the electric company's Oregon retail customers; and
 - (f) Contracted resources should also include the delivery period and output of contracts.
- (3) The report required in section (1) of this rule must include the following information regarding the electric company's aggregate electrical capacity that serves Oregon load during the reporting year:
- (a) The names of the facilities;
 - (b) The nameplate capacity of the electric company's generating resources;
 - (c) The percentage of electric company generating resources allocated to meet Oregon load;
 - (d) The average total contracted capacity of all power purchase agreements over five years with delivery during the reporting year.