

# D R A F T

## SUMMARY

Directs Oregon Business Development Department to establish program to incentivize generation of electricity derived from solar energy. Establishes Solar Incentivization Fund for purposes of program. Directs department to make monthly payments from fund to owner or operator of solar photovoltaic energy system included in program for five years in amount that equals one-half cent per kilowatt hour of electricity generated. Closes program to new applicants on January 2, 2017, or on date on which all solar photovoltaic energy systems included in program have cumulative nameplate capacity of 150 megawatts, whichever occurs earlier.

Sunsets January 2, 2023.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

Relating to solar energy; and declaring an emergency.

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

### **SECTION 1. (1) As used in this section:**

(a) “Investor-owned utility” means an investor-owned utility, as defined in ORS 469.631, that distributes electricity.

(b) “Nameplate capacity” means the maximum rated output of a generator or other electric power production equipment under specific conditions designated by the manufacturer of the equipment.

(c) “Publicly owned utility” has the meaning given that term in ORS 469.649.

(d) “Solar photovoltaic energy system” means equipment and devices that have the primary purpose of collecting solar energy and generating electricity by photovoltaic effect.

**(2) The Oregon Business Development Department shall establish**

1 a program to incentivize the generation of electricity derived from  
2 solar energy. In establishing the program, the department shall:

3 (a) Prescribe the form and manner by which the owner or operator  
4 of a solar photovoltaic energy system may apply to participate in the  
5 program;

6 (b) Enroll in the program applicants that own or operate solar  
7 photovoltaic energy systems qualified to be included in the program;  
8 and

9 (c) Close the program to new applicants on the earlier of the fol-  
10 lowing dates:

11 (A) The date on which all solar photovoltaic energy systems in-  
12 cluded in the program have a cumulative nameplate capacity of 150  
13 megawatts; or

14 (B) January 2, 2017.

15 (3)(a) To participate in the program, an owner or operator of a solar  
16 photovoltaic energy system must demonstrate to the satisfaction of  
17 the department that the solar photovoltaic energy system is qualified  
18 to be included in the program. A solar photovoltaic energy system is  
19 qualified to be included in the program if the solar photovoltaic energy  
20 system:

21 (A) Is located in this state;

22 (B) Has a nameplate capacity of at least two megawatts;

23 (C) Has a nameplate capacity of no more than 10 megawatts;

24 (D) Is either directly connected to the electrical system of an  
25 investor-owned utility or publicly owned utility, or is indirectly con-  
26 nected to the electrical system of an investor-owned utility or publicly  
27 owned utility in a manner that the department determines is accept-  
28 able for program enrollees;

29 (E) Has a meter or other device that monitors and measures the  
30 quantity of energy generated by the solar photovoltaic energy system;  
31 and

1 (F) Meets any other siting, design, interconnection, installation and  
2 electric output standards required by the laws of this state.

3 (b) An investor-owned utility or a publicly owned utility that owns  
4 a qualified solar photovoltaic energy system is eligible to participate  
5 in the program.

6 (4) For the purpose of incentivizing the generation of electricity  
7 derived from solar energy, the department shall make monthly pay-  
8 ments to a program enrollee under this section for five years after the  
9 date on which the department makes an initial payment to the pro-  
10 gram enrollee. A payment made under this subsection must be for an  
11 amount that equals one-half cent per kilowatt hour of electricity  
12 generated.

13 (5) Before enrolling an applicant as described in subsection (2)(b)  
14 of this section, the Oregon Business Development Department shall:

15 (a) Consult with the State Department of Energy to ensure that:

16 (A) A proposed solar photovoltaic energy system is qualified as de-  
17 scribed in subsection (3) of this section; and

18 (B) The solar photovoltaic energy system, if not generating elec-  
19 tricity on the date of application, is likely to begin generating elec-  
20 tricity no later than one year after the date on which the owner or  
21 operator of the solar photovoltaic energy system applies to be included  
22 in the program; and

23 (b) If applicable, consult with the Public Utility Commission to en-  
24 sure that the costs associated with a solar photovoltaic energy system  
25 will be recoverable pursuant to a schedule submitted to and approved  
26 by the commission in accordance with ORS 757.205 and 757.210 or pur-  
27 suant to other applicable provisions of law providing for the recovery  
28 of costs borne by investor-owned utilities.

29 (6) The owner of a solar photovoltaic energy system included in the  
30 program established under this section:

31 (a) Also owns all renewable energy certificates established under

1 **ORS 469A.130 that are associated with the generation of electricity by**  
2 **the solar photovoltaic energy system; and**

3 **(b) Is not eligible to receive funds under ORS 757.612 (3)(b)(B) unless**  
4 **the funds are received pursuant to an agreement entered into before**  
5 **the effective date of this 2016 Act.**

6 **(7) The Oregon Business Development Department may adopt rules**  
7 **to implement this section.**

8 **(8) The department shall submit a report on implementing this**  
9 **section in the manner provided by ORS 192.245 to an interim commit-**  
10 **tee of the Legislative Assembly related to energy no later than Sep-**  
11 **tember 15 of each odd-numbered year.**

12 **SECTION 2. (1) There is established the Solar Incentivization Fund,**  
13 **separate and distinct from the General Fund. Interest earned by the**  
14 **Solar Incentivization Fund shall be credited to the fund.**

15 **(2) Moneys in the fund are continuously appropriated to the Oregon**  
16 **Business Development Department for the purposes of the program**  
17 **described in section 1 of this 2016 Act.**

18 **(3) The department may accept from any source any grant, do-**  
19 **nation or gift of moneys for deposit in the fund.**

20 **SECTION 3. (1) Sections 1 and 2 of this 2016 Act are repealed on**  
21 **January 2, 2023.**

22 **(2) Any moneys remaining in the Solar Incentivization Fund on the**  
23 **date of the repeal of section 2 of this 2016 Act must be transferred from**  
24 **the Solar Incentivization Fund to the General Fund to be available for**  
25 **general governmental purposes.**

26 **SECTION 4. This 2016 Act being necessary for the immediate pres-**  
27 **ervation of the public peace, health and safety, an emergency is de-**  
28 **clared to exist, and this 2016 Act takes effect on its passage.**

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