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ARCHIVES DIVISION
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NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 860
PUBLIC UTILITY COMMISSION

FILED
01/31/2018 12:19 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Rulemaking to Implement Repeal of the Minimum Solar Energy Capacity Standard for Electric Companies.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 03/23/2018 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

A public rulemaking hearing may be requested in writing by 10 or more people, or by a group with 10 or more members, within 21 days following the publication of the Notice of Proposed Rulemaking in the Oregon Bulletin or 28 days from the date the Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, the notice of the date and time of the rulemaking hearing must be published in the Oregon Bulletin at least 14 days before the hearing.

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Filed By:
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NEED FOR THE RULE(S):

The changes to the rules in Division 084 are needed to implement the repeal of the minimum solar energy capacity standard as required by Chapter 28, Oregon Laws 2016 (SB 1547). This legislation, among other things, amended ORS 757.370 and 757.375 eliminating the minimum solar energy capacity standard.

The Commission encourages participants to file written comments as early as practicable in the proceedings so that other participants have the opportunity to consider and respond to the comments before the deadline. Please reference Docket No. AR 613 on comments and attach them to an e-mail to the Commission's Filing Center at PUC.FilingCenter@state.or.us.

Interested persons may review all filings online at <http://apps.puc.state.or.us/edockets/docket.asp?DocketID=21155>. For guidelines on filing and participation, please see OAR 860-001-0140 through 860-001-0160 and 860-001-0200 through 860-001-0250 found online at http://arcweb.sos.state.or.us/pages/rules/oars_800/oar_860/860_001.html.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

Chapter 28 Oregon Laws 2016 (SB 1547) found online at https://www.oregonlegislature.gov/bills_laws/lawsstatutes/2016orLaw0028.pdf.

FISCAL AND ECONOMIC IMPACT:

Any fiscal or economic impact resulting from the changes to and repeal of these rules is the direct result of the changes to the laws by Chapter 28 Oregon Laws 2016 (SB 1547). The legislature's impact statements may be found online at <https://olis.leg.state.or.us/liz/2016R1/Measures/Analysis/SB1547>.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

As noted above, any fiscal or economic impact resulting from the changes to and repeal of these rules is the direct result of the changes to the laws by Chapter 28 Oregon Laws 2016 (SB 1547). The legislature's impact statements may be found online at <https://olis.leg.state.or.us/liz/2016R1/Measures/Analysis/SB1547>.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

These rules are the direct result of legislation. Small business had the opportunity to be involved in the 2016 legislative processes.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

These rule changes are the direct result of legislation.

RULES PROPOSED:

860-084-0000, 860-084-0010, 860-084-0020, 860-084-0030, 860-084-0040, 860-084-0050, 860-084-0060, 860-084-0070, 860-084-0080, 860-084-0120

AMEND: 860-084-0000

RULE SUMMARY: The changes to this rule reflect the repeal of the minimum solar energy capacity standard for electric companies (ORS 757.370).

CHANGES TO RULE:

860-084-0000

Scope and Applicability of Solar Photovoltaic Programs ¶

(1) OAR 860-084-00270 through ~~860-084-0080~~ ("the Solar Photovoltaic Capacity Standard") govern ~~implementation of programs requiring electric company installation of~~ governs credit towards compliance with renewable portfolio standard for electricity produced from solar photovoltaic capacity energy. ¶

(2) OAR 860-084-0100 through 860-084-0450 (the "Solar Photovoltaic Pilot Programs") govern implementation of pilot programs to demonstrate the use and effectiveness of volumetric incentive rates and payments for electricity delivered from solar photovoltaic energy systems. ¶

(3) Upon request or its own motion, the Commission may waive any of the Division 084 rules for good cause shown. A request for waiver must be made in writing, unless otherwise allowed by the Commission.

Statutory/Other Authority: ORS 757.360 - 757.380

Statutes/Other Implemented: ORS 757.360 - 757.380

AMEND: 860-084-0010

RULE SUMMARY: The changes to this rule reflect the repeal of the minimum solar energy capacity standard for electric companies (ORS 757370).

CHANGES TO RULE:

860-084-0010

Definitions for Solar Photovoltaic Capacity Standard and Pilot Programs ¶

- (1) "Contracted system" means an eligible system under contract in the solar photovoltaic pilot program associated with a single meter.¶
- (2) "Electric company" has the meaning given that term in ORS 757.600.¶
- (3) "Eligible consumer" means a retail electricity consumer receiving service at the property where the solar photovoltaic system will be installed.¶
- (4) "Eligible energy" or "eligible generation" means the kilowatt-hours that may be paid at the volumetric incentive rate. For the net metering option of the pilot program, eligible energy is equal to the usage of the retail electricity consumer in the year that the energy is generated by the eligible system. In a given month, this eligible energy is equal to the actual usage of the retail electricity consumer for that month. For the bidding option of the pilot program, eligible energy equals actual generation, net of system requirements.¶
- (5) "Eligible participant" or "participant" means an eligible consumer who has signed a contract with the electric company and is participating in the pilot program. A regulated utility is not an eligible participant in pilot programs.¶
- (6) "Eligible system" means a qualifying system that meets the requirements of OAR 860-084-0120.¶
- (7) "Equipment package" means a group of components connecting an electric generator with an electric distribution system and includes all interface equipment including switchgear, inverters, or other interface devices. An equipment package may include an integrated generator or electric production source.¶
- (8) "Excess energy" or "excess generation" means the kilowatt-hours generated in excess of actual annual usage under the net metering option of the volumetric incentive rate pilot program. In a given month, excess energy means kilowatt-hours generated in excess of monthly usage.¶
- (9) "IEEE standards" means the standards published in the 2003 edition of the Institute of Electrical and Electronics Engineers (IEEE) Standard 1547, titled "Interconnecting Distributed Resources with Electric Power Systems," approved by the IEEE SA Standards Board on June 12, 2003, and in the 2005 edition of the IEEE Standard 1547.1, titled "IEEE Standard Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems," approved by the IEEE SA Standards Board on June 9, 2005.¶
- (10) "Installed System" means an eligible system that is completely built, has passed final electrical inspection by the local authority with jurisdiction, and is pending completion of utility work to connect it to the utility grid.¶
- (11) "Nameplate capacity" means the maximum rated output of a solar photovoltaic system, measured at an irradiance level of 1000 W/ m², with reference air mass 1.5 solar spectral irradiance distribution and cell or module junction temperature of 25°C.¶
- (12) "On-line" means that the solar photovoltaic system is installed and providing power to the electric company's electrical system or to serve the load of the retail electricity consumer.¶
- (13) "Payable generation" is the eligible generation for each month plus accrued excess generation, up to the actual monthly usage. Excess generation accrues monthly.¶
- (14) "Pilot capacity limit" means the maximum installed capacity that each electric company may contract during the pilot program.¶
- (15) "Pilot year" means each twelve-month period of the solar photovoltaic pilot program beginning on April 1 and ending on March 31.¶
- (16) "Qualifying assignee" or "assignee" means a person to whom a retail electricity consumer may assign volumetric incentive rate payments under the standard contract. An electric company or its affiliate or any other regulated utility is not a qualifying assignee. Qualifying assignees include, but are not limited to:¶

- (a) A lender providing up-front financing to a retail electricity consumer;¶
 - (b) A company or individual who enters into a financial agreement with a retail electricity consumer to own and operate a solar photovoltaic system on behalf of the retail electricity consumer in return for compensation;¶
 - (c) A company or individual who contracts with the retail electricity consumer to locate a solar photovoltaic system on property owned by the retail electricity consumer; or¶
 - (d) Any party identified by the retail electricity consumer to receive payments that the electric company is obligated to pay to the retail electricity consumer.¶
- (17) "Qualifying third party" or "third party" means a party who is the owner or operator of a solar photovoltaic system installed under the pilot program but who is not the retail electricity consumer at that location. An electric company is not a qualifying third party under the pilot programs.¶
- (18) "Reservation start date" means the date the retail electricity consumer is notified of securing capacity through a capacity reservation process and of the start and expiration dates for that capacity reservation. The reservation start date initiates the time to interconnection agreement.¶
- (19) "Retail electricity consumer" means a consumer who is a direct customer of the electric company and is the end user of electricity for specific purposes, such as heating, lighting, or operating equipment. Retail electricity consumers include direct access consumers.¶
- (20) "System requirements" means the input electricity required to operate the solar photovoltaic system, sometimes referred to as the parasitic load.¶
- (21) "Time to interconnection agreement" means the time between the reservation start date and the date an eligible participant signs an interconnection agreement.¶
- (22) "Volumetric incentive payments" or "payments" mean the monthly amount that an electric company pays to an eligible participant or assignee in the solar photovoltaic pilot program for payable energy generated by a contracted system.¶
- (23) "Volumetric incentive rate" means the rate per kilowatt-hour paid by an electric company to a retail electricity consumer or assignee for payable generation.

Statutory/Other Authority: ORS 757.360 - 757.380

Statutes/Other Implemented: ORS 757.360 - 757.380

REPEAL: 860-084-0020

RULE SUMMARY: The repeal of this rule reflects the repeal of the minimum solar energy capacity standard for electric companies (ORS 757.370).

CHANGES TO RULE:

~~860-084-0020~~

~~Solar Photovoltaic Capacity Standard~~

~~By January 1, 2020, each electric company must own or contract to purchase the capacity and output of qualifying solar photovoltaic systems to meet and maintain the following minimum solar photovoltaic capacity standards:~~

~~(1) Portland General Electric: 10.9 megawatts~~

~~(2) Pacific Power: 8.7 megawatts~~

~~(3) Idaho Power Company: 0.5 megawatts.~~

~~Statutory/Other Authority: ORS 757.360 – 757.380~~

~~Statutes/Other Implemented: ORS 757.360 – 757.380~~

REPEAL: 860-084-0030

RULE SUMMARY: The repeal of this rule reflects the repeal of the minimum solar energy capacity standard for electric companies (ORS 757.370).

CHANGES TO RULE:

~~860-084-0030~~

~~Qualifying Systems under the Solar Photovoltaic Capacity Standard~~

~~Individual solar photovoltaic systems used to comply with the solar photovoltaic capacity standards in OAR 860-084-0020 must have a nameplate generating capacity greater than or equal to 500 kilowatts and less than or equal to 5 megawatts.~~

~~Statutory/Other Authority: ORS 757.360 – 757.380~~

~~Statutes/Other Implemented: ORS 757.360 – 757.380~~

REPEAL: 860-084-0040

RULE SUMMARY: The repeal of this rule reflects the repeal of the minimum solar energy capacity standard for electric companies (ORS 757.370).

CHANGES TO RULE:

~~860-084-0040~~

~~Measurement of Capacity under the Solar Photovoltaic Capacity Standard~~

~~(1) The capacity of solar photovoltaic systems used to satisfy the requirements of OAR 860-084-0020 must be measured on the alternating current side of the system's inverter.¶~~

~~(2) Each electric company must convert nameplate capacity ratings reported by manufacturers in terms of direct current watts under standard test conditions to an alternating current rating in watts to account for inverter and other system component losses and to account for the effect of normal operating temperature on solar module output. This conversion will be calculated as 85 percent of the manufacturer's nameplate rating.~~

~~Statutory/Other Authority: ORS 757.360–757.380~~

~~Statutes/Other Implemented: ORS 757.360–757.380~~

REPEAL: 860-084-0050

RULE SUMMARY: The repeal of this rule reflects the repeal of the minimum solar energy capacity standard for electric companies (ORS 757.370).

CHANGES TO RULE:

~~860-084-0050~~

~~Compliance Report~~

~~(1) By February 1, 2020, each electric company must file a report with the Commission demonstrating compliance, or explaining in detail any failure to comply, with the solar photovoltaic capacity standards in OAR 860-084-0020.~~

~~(2) The report required in section (1) of this rule must include the following information associated with each solar photovoltaic system:~~

~~(a) The name of the facility;~~

~~(b) The location of the facility;~~

~~(c) The in-service date of the facility;~~

~~(d) The manufacturer's nameplate capacity rating;~~

~~(e) The electric company's capacity rating on the alternating current side of the system's inverter;~~

~~(f) The execution date of any associated power purchase agreement; and~~

~~(g) The contracted capacity and output delivery period of any associated power purchase agreement.~~

~~Statutory/Other Authority: ORS 757.360–757.380~~

~~Statutes/Other Implemented: ORS 757.360–757.380~~

REPEAL: 860-084-0060

RULE SUMMARY: The repeal of this rule reflects the repeal of the minimum solar energy capacity standard for electric companies (ORS 757.370).

CHANGES TO RULE:

~~860-084-0060~~

~~Cost Recovery~~

~~An electric company may request recovery of its prudently incurred costs to comply with the solar photovoltaic capacity standard specified in OAR 860-084-0020 in an automatic adjustment clause proceeding filed at the Commission pursuant to ORS 469A.120.~~

~~Statutory/Other Authority: ORS 757.360–757.380~~

~~Statutes/Other Implemented: ORS 757.360–757.380~~

AMEND: 860-084-0070

RULE SUMMARY: The changes to this rule reflects the repeal of the minimum solar energy capacity standard for electric companies (ORS 757.370)..

CHANGES TO RULE:

860-084-0070

Renewable Energy Certificates and Compliance with the Renewable Portfolio Standards ¶¶

~~(1) Each renewable energy certificate associated with the electricity produced by solar photovoltaic systems used to meet the minimum solar photovoltaic capacity standards in OAR 860-084-0020 that is physically located in this state may be used to comply with the renewable portfolio standards established under ORS 469A.005 through 469A.120.¶¶~~

~~(2) Each renewable energy certificate associated with the electricity produced by solar photovoltaic systems may be counted twice to comply with the renewable portfolio standards established under ORS 469A.005 through 469A.120, if the~~For each kilowatt-hour of electricity produced from a qualifying solar photovoltaic systems:¶¶

~~(a) Energy system that first becomes operational before January 1, 2016;¶¶~~

~~(b) Are installed in Oregon; and¶¶~~

~~(c) Meet the solar photovoltaic capacity standards in OAR 860-084-0020.¶¶~~

~~(3) Renewable energy certificates used under sections (1) and (2) of this rule must~~ and has a nameplate capacity between 500 kilowatts and five megawatts of alternating current, the electric company may be credited with two kilowatt-hours of qualifying electricity toward the electric company's compliance with the standards in OAR 860-083-0050 renewable portfolio standard, up to a maximum of 20 megatts of capacity.

Statutory/Other Authority: ORS 757.360 - 757.380

Statutes/Other Implemented: ORS 757.360 - 757.380

REPEAL: 860-084-0080

RULE SUMMARY: The repeal of this rule reflects the repeal of the minimum solar energy capacity standard for electric companies (ORS 757.370).

CHANGES TO RULE:

~~860-084-0080~~

~~Implementation Plans~~

~~Each electric company must incorporate its plan to achieve, or exceed, and maintain the minimum solar photovoltaic capacity standards specified in OAR 860-084-0020 into its renewable portfolio standard implementation plans filed pursuant to 860-083-0400.~~

~~Statutory/Other Authority: ORS 757.360 - 757.380~~

~~Statutes/Other Implemented: ORS 757.360 - 757.380~~

AMEND: 860-084-0120

RULE SUMMARY: The changes to this rule reflects the repeal of the minimum solar energy capacity standard for electric companies (ORS 757.370).

CHANGES TO RULE:

860-084-0120

Systems Eligible for Enrollment in Pilot Programs ¶¶

(1) Individual solar photovoltaic systems eligible for the Solar Photovoltaic Pilot Programs must have a nameplate generating capacity less than or equal to 500 kilowatts and must be:¶¶

(a) In compliance with the siting, design, interconnection, installation, and electric output standards and codes required by the laws of Oregon;¶¶

(b) Installed with meters or other devices to monitor and measure the quantity of energy generated;¶¶

(c) Permanently installed in the State of Oregon by a retail electricity consumer of the electric company;¶¶

(d) Installed in the service territory of the electric company;¶¶

(e) First operational and on-line after the launch of the pilot programs;¶¶

(f) Financed without expenditures under ORS 757.612 (3)(b)(B) or tax credits under 469.160 or 469.185 through 469.225;¶¶

(g) Certified by the residential electric consumer as constructed from new components (modules, inverter, batteries, mounting hardware, etc.); and¶¶

(h) Compliant with Commission quality and reliability requirements for solar photovoltaic systems and system installation.¶¶

(2) Systems uninstalled before the end of the contract term are not eligible for subsequent volumetric incentive rates, other feed-in tariffs, or pilot programs during the remainder of the original contract term. These systems cannot be reinstalled for the purposes of entering a new contract under any solar photovoltaic pilot program, volumetric incentive or other feed-in tariff program in the service territory of any electric company in the State of Oregon during the original contract term of the system, except that a system may be uninstalled and reinstalled at another location under the same contract under the conditions in OAR 860-084-0280.¶¶

~~(3) Retail electricity consumers submitting applications for a 500 kilowatt project are not eligible to reserve capacity in the solar photovoltaic pilot program if the same project is also competing for a purchased power agreement under the solar capacity standard in OAR 860-084-0020.~~

Statutory/Other Authority: ORS 757.360 - 757.380

Statutes/Other Implemented: ORS 757.360 - 757.380