

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 SENATE BILL 504

By: Boren

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5  
6 AS INTRODUCED

7 An Act relating to the Corporation Commission;  
8 defining terms; disallowing condemnation by certain  
9 utility; exempting distributed energy resource  
10 utility from certain act; authorizing Commission to  
11 promulgate rules; sunseting act; requiring certain  
12 report within certain time frame; providing for  
13 codification; and providing an effective date.

14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 803 of Title 17, unless there is  
17 created a duplication in numbering, reads as follows:

18 A. As used in this section:

19 1. "Customer" means a school, as defined pursuant to Section 1-  
20 106 of Title 70 of the Oklahoma Statutes, a school district, as  
21 defined pursuant to 1-108 of Title 70 of the Oklahoma Statutes,  
22 faith-based institutions, and not-for-profit institutions;

23 2. "Distributed energy resource (DER) utility" means any  
24 company that produces, delivers, or furnishes retail electric  
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1 current for light, heat, or power to a customer through a power  
2 purchase agreement with a customer provided that:

- 3 a. generation occurs on the property of the customer that  
4 is contiguous with the use of that power, and
- 5 b. generation shall not exceed thirty percent (30%) of  
6 the previous annual load of the customer, unless a  
7 higher load is authorized by Administrative Rule by  
8 the Commission;

9 3. "Faith-based institution" means an organization,  
10 association, facility, or program that offers services within a  
11 context of religious beliefs that are articulated by the  
12 organization's, association's, facility's, or program's mission  
13 statement, affiliations, or sponsoring entities; and

14 4. "Not-for-profit institution" means an organization holding a  
15 valid tax exemption pursuant to Section 501(a) of the Internal  
16 Revenue Code of 1954, as amended, and listed as an exempt  
17 organization in Section 501(c)(3) of the Internal Revenue Code of  
18 1954, as amended.

19 B. A DER utility operating under this section shall have no  
20 condemnation authority.

21 C. A DER utility shall not be subject to the provisions of the  
22 Retail Electric Supplier Certified Territory Act, Section 158.21 et  
23 seq. of Title 17 of the Oklahoma Statutes, provided that the DER  
24 utility:

1 1. Files an application for grid interconnection with the  
2 Corporation Commission;

3 2. Submits an annual report on power generated by the DER  
4 utility to the Commission;

5 3. Receives approval from an applicable rate-setting entity the  
6 DER utility would operate within; and

7 4. Complies with any additional requirements established by the  
8 Commission.

9 D. The Commission shall promulgate rules as necessary to  
10 effectuate the provisions of this act.

11 E. This act shall be valid until November 1, 2033, at which  
12 time a report shall be issued by the Office of Energy and  
13 Environment within one (1) year, for consideration and determination  
14 of continuance of the provisions of this act.

15 SECTION 2. This act shall become effective November 1, 2023.

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