HOUSE MINORITY REPORT
AMENDMENTS TO
A-ENGROSSED SENATE BILL 1547

By Nonconcurring Members of COMMITTEE ON RULES

February 29

In line 2 of the printed A-engrossed bill, delete the period and insert "; creating new provisions; amending ORS 469A.005, 469A.020, 469A.052, 469A.055, 469A.060, 469A.075, 469A.100, 469A.120, 469A.135, 469A.140, 469A.145, 469A.210 and 757.375; repealing ORS 757.370; and declaring an emergency.".

Delete lines 4 through 6 and insert:

"**ELIMINATION OF COAL FROM ELECTRICITY SUPPLY**

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

"(a) 'Allocation of electricity' means, for the purpose of setting electricity rates, the costs and benefits associated with the resources used to provide electricity to an electric company's retail electricity consumers that are located in this state.

"(b)(A) 'Coal-fired resource' means a facility that uses coal-fired generating units, or that uses units fired in whole or in part by coal as feedstock, to generate electricity.

"(B) 'Coal-fired resource' does not include a facility generating electricity that is included as part of a limited duration wholesale power purchase made by an electric company for immediate delivery to retail electricity consumers that are located in this state for which the source of the power is not known.

"(c) 'Electric company' has the meaning given that term in ORS 757.600.

"(d) 'Retail electricity consumer' has the meaning given that term in ORS 757.600.

"(2) On or before January 1, 2030, an electric company shall eliminate coal-fired resources from its allocation of electricity.

"(3)(a) The Public Utility Commission shall adjust any schedule of depreciation approved by the commission for an electric company's coal-fired resource if:

"(A) The electric company holds a minority ownership share in only one coal-fired resource, with no more than four generating units; and

"(B) The electric company serves at least 800,000 retail electricity consumers and only retail electricity consumers that are located in this state.

"(b) The adjusted depreciation schedule described in paragraph (a) of this subsection must require the coal-fired resource described in paragraph (a)(A) of this subsection to be fully depreciated on or before December 31, 2030.

"(4) Notwithstanding subsections (2) and (3) of this section, for the number of years requested by the electric company, not to exceed five years after the coal-fired resource is fully depreciated, the commission shall authorize an electric company described in subsection (3)

of this section to include in the company's allocation of electricity the costs and benefits associated with the coal-fired resource described in subsection (3)(a)(A) of this section if:

"(a) The electric company requests the commission to authorize the allocation of electricity; or

"(b) The owners of the coal-fired resource agree to close the coal-fired resource on or before the date that is five years after the date the coal-fired resource is fully depreciated.

"(5) For purposes of evaluating the prudence of an investment decision regarding a coal-fired resource made after the effective date of this 2016 Act, or an investment related to the continued operation of a coal-fired resource made after the effective date of this 2016 Act, the useful life of the coal-fired resource may not be considered to be any later than January 1, 2030, unless the commission determines otherwise.

"(6) Notwithstanding ORS 757.355, this section does not prevent the full recovery of prudently incurred costs related to the decommissioning or remediation of a coal-fired resource or the closure of a coal-fired resource, at the time those costs are incurred.

"**SECTION 2. The Public Utility Commission may consider the net gain or net loss upon the sale of any coal-fired resource, as defined in section 1 of this 2016 Act, for allocation to the retail electricity consumers, as defined in ORS 757.600, of an electric company that makes sales of electricity to 25,000 or more retail electricity consumers in this state.**

"AMENDMENTS TO STATUTES REGULATING RENEWABLE PORTFOLIO STANDARDS

"(Definitions)

"**SECTION 3.** ORS 469A.005 is amended to read:

"469A.005. As used in ORS 469A.005 to 469A.210:

"**(1) 'Acquires service territory' does not include an acquisition by a city of a facility, plant, equipment or service territory within the boundaries of the city, pursuant to ORS 225.020 or city charter, if the city:**

"(a) Already owns, controls or operates an electric light and power system for supplying electricity to the inhabitants of the city and for general municipal purposes;

"(b) Provides fair, just and reasonable compensation to the electric company whose service territory is acquired that:

"(A) Gives consideration for the service territory rights and the cost of the facility, plant or equipment acquired and for depreciation, fair market value, reproduction cost and any other relevant factor; and

"(B) Is based on the present value of the service territory rights and the facility, plant and equipment acquired, including the value of poles, wires, transformers and similar and related appliances necessarily required to provide electric service; and

"(c) Pays any stranded costs obligation established pursuant to section 18 of this 2016 Act.

"[*(1)*] **(2)** 'Banked renewable energy certificate' means a bundled or unbundled renewable energy certificate that is not used by an electric utility or electricity service supplier to comply with a renewable portfolio standard in a calendar year**,** and that is carried forward for the purpose of compliance with a renewable portfolio standard in a subsequent year.

"[*(2)*] **(3)** 'BPA electricity' means electricity provided by the Bonneville Power Administration,

including [*all*] electricity [*from*] **generated by** the Federal Columbia River Power System hydroelectric projects and [*other*] electricity acquired by the Bonneville Power Administration by contract.

"[*(3)*] **(4)** 'Bundled renewable energy certificate' means a renewable energy certificate for qualifying electricity that is acquired:

"(a) By an electric utility or electricity service supplier by a trade, purchase or other transfer of electricity that includes the **renewable energy** certificate that was issued for the electricity; or

"(b) By an electric utility by generation of the electricity for which the **renewable energy** certificate was issued.

"[*(4)*] **(5)** 'Compliance year' means the calendar year for which the electric utility or electricity service supplier seeks to establish compliance with the renewable portfolio standard applicable to the **electric** utility or **electricity service** supplier in the compliance report submitted under ORS 469A.170.

"[*(5)*] **(6)** 'Consumer-owned utility' means a municipal electric utility, a people's utility district organized under ORS chapter 261 that sells electricity or an electric cooperative organized under ORS chapter 62.

"**(7) 'Distribution utility' has the meaning given that term in ORS 757.600.**

"[*(6)*] **(8)** 'Electric company' has the meaning given that term in ORS 757.600.

"[*(7)*] **(9)** 'Electric utility' has the meaning given that term in ORS 757.600.

"[*(8)*] **(10)** 'Electricity service supplier' has the meaning given that term in ORS 757.600.

"[*(9)*] **(11)** 'Qualifying electricity' means electricity described in ORS 469A.010.

"[*(10)*] **(12)** 'Renewable energy source' means a source of electricity described in ORS 469A.025.

"[*(11)*] **(13)** 'Retail electricity consumer' means a retail electricity consumer, as defined in ORS 757.600, that is located in Oregon.

"[*(12)*] **(14)** 'Unbundled renewable energy certificate' means a renewable energy certificate for qualifying electricity that is acquired by an electric utility or electricity service supplier by trade, purchase or other transfer without acquiring the electricity [*for which the*] **that is associated with the renewable energy** certificate [*was issued*].

"(Qualifying Electricity)

"**SECTION 4.** ORS 469A.020 is amended to read:

"469A.020. (1) Except as provided in this section, electricity may be used to comply with a renewable portfolio standard only if the electricity is generated by a facility that becomes operational on or after January 1, 1995.

"(2) Electricity from a generating facility, other than a hydroelectric facility, that became operational before January 1, 1995, may be used to comply with a renewable portfolio standard if the electricity is attributable to capacity or efficiency upgrades made on or after January 1, 1995.

"(3) Electricity from a hydroelectric facility that became operational before January 1, 1995, may be used to comply with a renewable portfolio standard if the electricity is attributable to efficiency upgrades made on or after January 1, 1995. If an efficiency upgrade is made to a Bonneville Power Administration facility, only that portion of the electricity generation attributable to Oregon's share of the electricity may be used to comply with a renewable portfolio standard.

"(4) Subject to the limit imposed by ORS 469A.025 (5), electricity from a hydroelectric facility that became operational before January 1, 1995, may be used to comply with a renewable portfolio

standard if the facility is certified as a low-impact hydroelectric facility on or after January 1, 1995, by a national certification organization recognized by the State Department of Energy by rule, and if the facility is either:

"(a) Owned by an electric utility; or

"(b) Not owned by an electric utility and located in Oregon and licensed by the Federal Energy Regulatory Commission under the Federal Power Act, 16 U.S.C. 791a et seq., or exempt from such license.

"[*(5)(a)*] **(5)** Electricity from a generating facility located in this state that uses biomass and that became operational before January 1, 1995, may be used to comply with a renewable portfolio standard if the facility meets the requirements of the federal Public Utility Regulatory Policies Act of 1978 (P.L. 95-617) on March 4, 2010.[*, regardless of whether the facility qualifies under the requirements of the Public Utility Commission.*]

"[*(b) Renewable energy certificates derived from electricity generated by a facility that qualifies under paragraph (a) of this subsection may not be used to comply with a renewable portfolio standard before January 1, 2026. However, renewable energy certificates issued before January 1, 2026, may be banked pursuant to ORS 469A.005 to 469A.210 for use on or after January 1, 2026.*]

"(6) A facility located in this state that generates electricity from direct combustion of municipal solid waste and that became operational before January 1, 1995, may be used to comply with a renewable portfolio standard for up to 11 average megawatts of electricity generated per calendar year. [*Renewable energy certificates derived from electricity generated by a facility described in this subsection may not be used to comply with a renewable portfolio standard before January 1, 2026. However, renewable energy certificates issued before January 1, 2026, may be banked pursuant to ORS 469A.005 to 469A.210 for use on or after January 1, 2026.*]

"(Compliance Requirements for Renewable Portfolio Standard)

"**SECTION 5.** ORS 469A.052 is amended to read:

"469A.052. (1) The large utility renewable portfolio standard imposes the following requirements on an electric utility that makes sales of electricity to retail electricity consumers in an amount that equals three percent or more of all electricity sold to retail electricity consumers:

"(a) At least five percent of the electricity sold by the **electric** utility to retail electricity consumers in each of the calendar years 2011, 2012, 2013 and 2014 must be qualifying electricity;

"(b) At least 15 percent of the electricity sold by the **electric** utility to retail electricity consumers in each of the calendar years 2015, 2016, 2017, 2018 and 2019 must be qualifying electricity;

"(c) At least 20 percent of the electricity sold by the **electric** utility to retail electricity consumers in each of the calendar years 2020, 2021, 2022, 2023 and 2024 must be qualifying electricity; [*and*]

"**(d) At least 25 percent of the electricity sold by a consumer-owned utility to retail electricity consumers in the calendar year 2025 and subsequent calendar years must be qualifying electricity;**

"[*(d)*] **(e)** At least [*25*] **27** percent of the electricity sold by [*the utility to retail electricity consumers in calendar year 2025 and subsequent calendar years must be qualifying electricity.*] **an electric company to retail electricity consumers in each of the calendar years 2025, 2026, 2027, 2028 and 2029 must be qualifying electricity;**

"(f) At least 35 percent of the electricity sold by an electric company to retail electricity consumers in each of the calendar years 2030, 2031, 2032, 2033 and 2034 must be qualifying electricity;

"(g) At least 45 percent of the electricity sold by an electric company to retail electricity consumers in each of the calendar years 2035, 2036, 2037, 2038 and 2039 must be qualifying electricity; and

"(h) At least 50 percent of the electricity sold by an electric company to retail electricity consumers in the calendar year 2040 and subsequent calendar years must be qualifying electricity.

"(2) If, on June 6, 2007, an electric utility makes sales of electricity to retail electricity consumers in an amount that equals less than three percent of all electricity sold to retail electricity consumers, but in any three consecutive calendar years thereafter makes sales of electricity to retail electricity consumers in amounts that average three percent or more of all electricity sold to retail electricity consumers, the **electric** utility is subject to the renewable portfolio standard described in subsection (3) of this section. The **electric** utility becomes subject to the **renewable portfolio** standard described in subsection (3) of this section in the calendar year following the three-year period during which the **electric** utility makes sales of electricity to retail electricity consumers in amounts that average three percent or more of all electricity sold to retail electricity consumers.

"(3) An electric utility described in subsection (2) of this section must comply with the following renewable portfolio standard:

"(a) Beginning in the fourth calendar year after the calendar year in which the **electric** utility becomes subject to the **renewable portfolio** standard described in this subsection, at least five percent of the electricity sold by the **electric** utility to retail electricity consumers in a calendar year must be qualifying electricity;

"(b) Beginning in the 10th calendar year after the calendar year in which the **electric** utility becomes subject to the **renewable portfolio** standard described in this subsection, at least 15 percent of the electricity sold by the **electric** utility to retail electricity consumers in a calendar year must be qualifying electricity;

"(c) Beginning in the 15th calendar year after the calendar year in which the **electric** utility becomes subject to the **renewable portfolio** standard described in this subsection, at least 20 percent of the electricity sold by the **electric** utility to retail electricity consumers in a calendar year must be qualifying electricity; and

"(d) Beginning in the 20th calendar year after the calendar year in which the **electric** utility becomes subject to the **renewable portfolio** standard described in this subsection, at least 25 percent of the electricity sold by the **electric** utility to retail electricity consumers in a calendar year must be qualifying electricity.

"**SECTION 6.** ORS 469A.075 is amended to read:

"469A.075. (1) An electric company that is subject to a renewable portfolio standard shall develop an implementation plan for meeting the requirements of the **renewable portfolio** standard and file the **implementation** plan with the Public Utility Commission. Implementation plans must be revised and updated at least once every two years.

"(2) **At a minimum,** an implementation plan must [*at a minimum*] contain:

"(a) Annual targets for acquisition and use of qualifying electricity; and

"(b) The estimated cost of meeting the annual targets, including the cost of transmission, the cost of firming, shaping and integrating qualifying electricity, the cost of alternative compliance

payments and the cost of acquiring renewable energy certificates.

"(3) The commission shall acknowledge [*the*] **an** implementation plan no later than six months after the **implementation** plan is filed with the commission. The commission may acknowledge the **implementation** plan subject to conditions specified by the commission.

"(4) The commission shall adopt rules:

"(a) Establishing requirements for the content of implementation plans;

"(b) Establishing the procedure for acknowledgment of implementation plans under this section, including provisions for public comment; [*and*]

"(c) Providing for the integration of [*the*] **an** implementation plan with the integrated resource planning guidelines established by the commission [*and in effect on June 6, 2007.*] **for the purpose of planning for the least-cost, least-risk acquisition of resources; and**

"(d) Providing for the evaluation of competitive bidding processes that allow for diverse ownership of renewable energy sources that generate qualifying electricity.

"(5) [*The*] **An** implementation plan filed under this section may include procedures that will be used by the electric company to determine whether the costs of constructing a facility that generates electricity from a renewable energy source, or the costs of acquiring bundled or unbundled renewable energy certificates, are consistent with the **renewable portfolio** standards of the commission relating to least-cost, least-risk planning for acquisition of resources.

(Banking Renewable Energy Certificates)

"**SECTION 7.** ORS 469A.140 is amended to read:

"469A.140. (1) Renewable energy certificates may be traded, sold or otherwise transferred.

"(2) Renewable energy certificates that are not used by [*an electric utility or electricity service supplier*] **a consumer-owned utility** to comply with a renewable portfolio standard in a calendar year may be banked and carried forward indefinitely for the purpose of complying with a renewable portfolio standard in a subsequent year. For the purpose of **a consumer-owned utility** complying with a renewable portfolio standard in any calendar year[*:*]**,**

"[*(a) Banked renewable energy certificates must be used, up to the limit imposed by ORS 469A.145, before other certificates are used; and*]

"[*(b)*] banked renewable energy certificates with the oldest issuance date must be used to comply with the **renewable portfolio** standard before banked renewable energy certificates with more recent issuance dates are used.

"**(3)(a) Renewable energy certificates issued on or before the effective date of this 2016 Act that are not used by an electric company or electricity service supplier to comply with a renewable portfolio standard in a calendar year may be banked and carried forward indefinitely for the purpose of complying with a renewable portfolio standard in a subsequent year.**

"(b) For qualifying electricity generated from a renewable energy source that becomes operational on or before the effective date of this 2016 Act, or for qualifying electricity that is acquired under a contract, having a duration of less than 20 years, for the purchase of electricity generated from a renewable energy source that becomes operational between the effective date of this 2016 Act and December 31, 2022, renewable energy certificates issued for the qualifying electricity after the effective date of this 2016 Act that are not used by an electric company or an electricity service supplier to comply with a renewable portfolio

standard in the calendar year in which the renewable energy certificates are issued may be banked and carried forward, for up to five compliance years immediately following the compliance year in which the renewable energy certificates are issued, for the purpose of complying with a renewable portfolio standard in one of those five compliance years.

"(c) For qualifying electricity generated from a renewable energy source that becomes operational between the effective date of this 2016 Act and December 31, 2022, or for qualifying electricity that is acquired under a contract, having a duration of 20 years or more, for the purchase of electricity generated from a renewable energy source that becomes operational between the effective date of this 2016 Act and December 31, 2022, renewable energy certificates issued for the qualifying electricity during the five-year period after the date the renewable energy source becomes operational that are not used by an electric company or an electricity service supplier to comply with a renewable portfolio standard in the calendar year in which the renewable energy certificates are issued may be banked and carried forward indefinitely for the purpose of complying with a renewable portfolio standard in a subsequent year.

"(d) For qualifying electricity generated from a renewable energy source that becomes operational between the effective date of this 2016 Act and December 31, 2022, or for qualifying electricity that is acquired under a contract, having a duration of 20 years or more, for the purchase of electricity generated from a renewable energy source that becomes operational between the effective date of this 2016 Act and December 31, 2022, renewable energy certificates issued for the qualifying electricity more than five years after the renewable energy source becomes operational that are not used by an electric company or an electricity service supplier to comply with a renewable portfolio standard in the calendar year in which the renewable energy certificates are issued may be banked and carried forward, for up to five compliance years immediately following the compliance year in which the renewable energy certificates are issued, for the purpose of complying with a renewable portfolio standard in one of those five compliance years.

"(e) For qualifying electricity generated from a renewable energy source that becomes operational after December 31, 2022, renewable energy certificates issued for the qualifying electricity that are not used by an electric company or an electricity service supplier to comply with a renewable portfolio standard in the calendar year in which the renewable energy certificates are issued may be banked and carried forward, for up to five compliance years immediately following the compliance year in which the renewable energy certificates are issued, for the purpose of complying with a renewable portfolio standard in one of those five compliance years.

"[*(3)*] **(4)** An electric utility or electricity service supplier is responsible for demonstrating that a renewable energy certificate used to comply with a renewable portfolio standard is derived from a renewable energy source and that the **electric** utility or **electricity service** supplier has not used, traded, sold or otherwise transferred the **renewable energy** certificate.

"[*(4)*] **(5)** [*The same*] **A** renewable energy certificate may be used by an electric utility or electricity service supplier to comply with **both** a federal renewable portfolio standard and a renewable portfolio standard established under ORS 469A.005 to 469A.210. An electric utility or electricity service supplier that uses a renewable energy certificate to comply with a renewable portfolio standard imposed by [*any other*] **a state other than this** state may not use the same **renewable energy** certificate to comply with a renewable portfolio standard established under ORS 469A.005

to 469A.210.

"(Acquisition of Electric Utility Service Territory)

"**SECTION 8.** ORS 469A.055 is amended to read:

"469A.055. (1) Except as provided in this section, an electric utility that makes sales of electricity to retail electricity consumers in an amount that equals less than three percent of all electricity sold to retail electricity consumers is not subject to ORS 469A.005 to 469A.210.

"(2) Beginning in calendar year 2025, at least five percent of the electricity sold to retail electricity consumers in a calendar year by an electric utility must be qualifying electricity if the electric utility makes sales of electricity to retail electricity consumers in an amount that equals less than one and one-half percent of all electricity sold to retail electricity consumers.

"(3) Beginning in calendar year 2025, at least 10 percent of the electricity sold to retail electricity consumers in a calendar year by an electric utility must be qualifying electricity if the electric utility makes sales of electricity to retail electricity consumers in an amount that equals or is more than one and one-half percent, and less than three percent, of all electricity sold to retail electricity consumers.

"(4) The exemption provided by subsection (1) of this section terminates if an electric utility, or a joint operating entity that includes the **electric** utility as a member, acquires electricity from an electricity generating facility that uses coal as an energy source or makes an investment on or after June 6, 2007, in an electricity generating facility that uses coal as an energy source. **Beginning in the calendar year following the year in which an electric utility's exemption terminates under this subsection, the electric utility is subject to the renewable portfolio standard described in ORS 469A.052 (3) and the provisions of ORS 469A.005 to 469A.210 that apply to ORS 469A.052 (3).** This subsection does not apply to:

"(a) A wholesale market purchase by an electric utility for which the energy source for the electricity is not known;

"(b) BPA electricity;

"(c) Acquisition of electricity under a contract entered into before June 6, 2007;

"(d) A renewal or replacement contract for a contract for purchase of electricity described in paragraph (c) of this subsection;

"(e) A purchase of electricity if the electricity is included in a contract for the purchase of qualifying electricity and is necessary to shape, firm or integrate the qualifying electricity;

"(f) Electricity provided to an electric utility under a contract for the acquisition of an interest in an electricity generating facility that was entered into by the **electric** utility before June 6, 2007, or entered into before June 6, 2007, by an electric cooperative organized under ORS chapter 62 of which the electric utility is a member, without regard to whether the electricity is being used to serve the load of the electric utility on June 6, 2007; or

"(g) Investments in an electricity generating facility that uses coal as an energy source if the investments are for the purpose of improving the facility's pollution mitigation equipment or the facility's efficiency or are necessary to comply with requirements or standards imposed by governmental entities.

"(5) The exemption provided by subsection (1) of this section terminates for a consumer-owned utility if [*at any time after June 6, 2007,*] the **consumer-owned** utility acquires service territory of

an electric [*company*] **utility** without the consent of the electric [*company.*] **utility. Except as provided in subsection (6) of this section, beginning in the fourth calendar year following the year in which a consumer-owned utility's exemption terminates under this subsection, the consumer-owned utility is subject to the renewable portfolio standard described in ORS 469A.052 (3) and the provisions of ORS 469A.005 to 469A.210 that apply to ORS 469A.052 (3).**

"(6) If an electric utility acquires service territory of another electric utility without the consent of the electric utility from which service territory was acquired, then beginning in the calendar year following the acquisition, the percentage of the acquiring electric utility's electricity sold to all retail electricity consumers of the acquiring electric utility that is sold to retail electricity consumers that are located in the acquired service territory is subject to the renewable portfolio standard that is applicable to the electric utility from which service territory was acquired and the provisions of ORS 469A.005 to 469A.210 that apply to the renewable portfolio standard.

"(7) The provisions of this section do not authorize the acquisition by a municipal electric utility of service territory of a people's utility district organized under ORS chapter 261.

"[*(6) Beginning in the calendar year following the year in which an electric utility's exemption terminates under subsection (4) or (5) of this section, the utility is subject to the renewable portfolio standard described in ORS 469A.052 (3) and related provisions of ORS 469A.005 to 469A.210.*]

"[*(7)*] **(8)** The provisions of this section do not affect the requirement that electric utilities offer a green power rate under ORS 469A.205.

"(Electricity Service Suppliers)

"**SECTION 9.** ORS 469A.135 is amended to read:

"469A.135. (1) A bundled renewable energy certificate may be used to comply with a renewable portfolio standard if:

"(a) The facility that generates the qualifying electricity for which the **bundled renewable energy** certificate is issued is located in the United States and within the geographic boundary of the Western Electricity Coordinating Council; and

"(b) The qualifying electricity for which the **bundled renewable energy** certificate is issued is delivered to**:**

"(A) The Bonneville Power Administration[*, to*]**;**

"(B) The transmission system of an electric utility [*or to another*]**;**

"(C) A delivery point designated by [*an*] **the** electric utility for the purpose of subsequent delivery to the electric utility**; or**

"(D) A delivery point mutually agreed to by a distribution utility and an electricity service supplier for the purpose of subsequent delivery to the distribution utility serving the customer of the electricity service supplier.

"(2) An unbundled renewable energy certificate may be used to comply with a renewable portfolio standard if the facility that generates the qualifying electricity [*for*] **with** which the **unbundled renewable energy** certificate is [*issued*] **associated** is located within the geographic boundary of the Western Electricity Coordinating Council.

"(3) Renewable energy certificates issued for any electricity that the Bonneville Power Administration has designated as environmentally preferred power, or has given a similar designation for electricity generated from a renewable resource, may be used to comply with a renewable portfolio

standard without regard to the location of the generating facility.

"**(4) This section does not affect the obligations or requirements:**

"(a) Imposed under or agreed to in a contract with a distribution utility;

"(b) Imposed under tariff schedules approved by the Public Utility Commission;

"(c) Imposed under an approved open access transmission tariff; or

"(d) Imposed under rules adopted by the commission under ORS 757.600 to 757.689.

"**SECTION 10.** ORS 469A.145 is amended to read:

"469A.145. (1) Except as otherwise provided in this section, unbundled renewable energy certificates, including banked unbundled renewable energy certificates, may not be used to meet more than 20 percent of the requirements of the large utility renewable portfolio standard described in ORS 469A.052 for any compliance year.

"(2) The limitation imposed by subsection (1) of this section does not apply to **unbundled** renewable energy certificates [*issued for*] **associated with** electricity generated in [*Oregon*] **this state** from a renewable energy source by a net metering facility**,** as defined in ORS 757.300, or another generating facility that is not directly connected to a distribution or transmission system.

"(3) The limitation imposed by subsection (1) of this section does not apply to **unbundled** renewable energy certificates [*issued for*] **associated with** electricity generated in [*Oregon*] **this state** by a qualifying facility under ORS 758.505 to 758.555.

"(4) The limitation imposed by subsection (1) of this section does not apply to an electricity service supplier **for purposes of meeting the renewable portfolio standard described in ORS 469A.065 during compliance years before 2021**.

"(Recovery of Costs for Complying with Renewable Portfolio Standard)

"**SECTION 11.** ORS 469A.120 is amended to read:

"469A.120. (1) Except as provided in ORS 469A.180 (5), all prudently incurred costs associated with [*compliance with a renewable portfolio standard*] **complying with ORS 469A.005 to 469A.210** are recoverable in the rates of an electric company, including interconnection costs, costs associated with using physical or financial assets to integrate, firm or shape renewable energy sources on a firm annual basis to meet retail electricity needs, above-market costs and other costs associated with transmission and delivery of qualifying electricity to retail electricity consumers.

"(2)**(a)** The Public Utility Commission shall establish an automatic adjustment clause as defined in ORS 757.210 or another method that allows timely recovery of costs prudently incurred by an electric company to construct or otherwise acquire facilities that generate electricity from renewable energy sources [*and for*]**, costs related to** associated electricity transmission **and costs related to associated energy storage**.

"**(b)** Notwithstanding any other provision of law, upon the request of any interested person the commission shall conduct a proceeding to establish the terms of the automatic adjustment clause or other method for timely recovery of costs. The commission shall provide parties to the proceeding with the procedural rights described in ORS 756.500 to 756.610, including but not limited to the opportunity to develop an evidentiary record, conduct discovery, introduce evidence, conduct cross-examination and submit written briefs and oral argument. The commission shall issue a written order with findings on the evidentiary record developed in the proceeding.

"(3)**(a)** An electric company must file with the commission for approval of a proposed rate

change to recover costs under the terms of an automatic adjustment clause or other method for timely recovery of costs established under subsection (2) of this section. **As part of an electric company's request for approval under this subsection, the electric company may specify the date or the dates on which the electric company will begin to include in the electric company's rates, in full or in part, the costs recoverable under subsection (2) of this section. The commission may accept or reject the date or dates specified by the electric company.**

"(b) Notwithstanding any other provision of law, upon the request of any interested person the commission shall conduct a proceeding to determine whether to approve a proposed change in rates under the automatic adjustment clause or other method for timely recovery of costs. The commission shall provide parties to the proceeding with the procedural rights described in ORS 756.500 to 756.610, including but not limited to the opportunity to develop an evidentiary record, conduct discovery, introduce evidence, conduct cross-examination and submit written briefs and oral argument. The commission shall issue a written order with findings on the evidentiary record developed in the proceeding.

"**(c)** A filing made under this subsection is subject to the commission's authority under ORS 757.215 to suspend a rate, or schedule of rates, for investigation.

"(Exemption for Purposes of Meeting Reliability Standards of North American Electric Reliability Corporation)

"**SECTION 12. Section 13 of this 2016 Act is added to and made a part of ORS 469A.005 to 469A.210.**

"**SECTION 13. (1) Upon its own motion or at the request of an electric company, the Public Utility Commission may open an investigation to determine whether an electric company's compliance with one or more of the requirements of ORS 469A.052 is likely to result in conflicts with or compromises to the electric company's obligation to comply with the mandatory and enforceable reliability standards of the North American Electric Reliability Corporation, or compromises to the integrity of the electric company's electrical system. An electric company making a request under this subsection must submit an application to the commission that includes:**

"(a) An explanation of the reliability or integrity issue and how a temporary exemption from complying with one or more of the requirements of ORS 469A.052 will avoid the reliability or integrity issue; and

"(b) A plan to achieve full compliance with the requirements of ORS 469A.052.

"(2) In applying for a temporary exemption under this section, an electric company has the burden of demonstrating that compliance with one or more of the requirements of ORS 469A.052 is likely to result in:

"(a) Conflicts with or compromises to the electric company's obligation to comply with the mandatory and enforceable reliability standards of the North American Electric Reliability Corporation; or

"(b) Compromises to the integrity of the electric company's electrical system.

"(3) If the commission determines under this section that compliance with one or more of the requirements of ORS 469A.052 is likely to result in conflicts with or compromises to an electric company's obligation to comply with the mandatory and enforceable reliability

standards of the North American Electric Reliability Corporation, or compromises to the integrity of the electric company's electrical system, the commission shall issue an order:

"(a) Notwithstanding ORS 469A.052, temporarily exempting the electric company from one or more of the requirements of ORS 469A.052 for an amount of time sufficient to allow the electric company to achieve full compliance with the requirements of ORS 469A.052;

"(b) Directing the electric company to file a progress report on achieving full compliance with the requirements of ORS 469A.052 within six months after issuing the order, or within an amount of time determined to be reasonable by the commission; and

"(c) Directing the electric company to take specific actions to achieve full compliance with the requirements of ORS 469A.052.

"(4) An electric company may request an extension of a temporary exemption granted under this section.

"(5) This section does not permanently relieve an electric company of its obligation to comply with the requirements of ORS 469A.052.

"(Small-Scale Community-Based Renewable Energy Projects)

"**SECTION 14.** ORS 469A.210 is amended to read:

"469A.210. **(1)** The Legislative Assembly finds that community-based renewable energy projects, including but not limited to marine renewable energy resources that are either developed in accordance with the Territorial Sea Plan adopted pursuant to ORS 196.471 or located on structures adjacent to the coastal shorelands, are an essential element of [*Oregon's*] **this state's** energy future[*, and declares that it is the goal of the State of Oregon that*]**.**

"(2) For purposes related to the findings in subsection (1) of this section, by **the year** 2025**,** at least eight percent of [*Oregon's retail electrical load comes from*] **the electricity sold to retail electricity consumers in each calendar year by all electric companies that make sales of electricity to 25,000 or more retail electricity consumers in this state must be composed of electricity generated by one or both of the following sources:**

"(a) Small-scale renewable energy projects [*with*] **that are interconnected with a transmission or distribution system located in this state and that have** a generating capacity of 20 megawatts or less[*. All agencies of the executive department as defined in ORS 174.112 shall establish policies and procedures promoting the goal declared in this section.*]**; or**

"(b) Generating facilities described in ORS 469A.020 (5) that generate thermal energy for a secondary purpose.

"(3) The Public Utility Commission may adopt rules to implement this section.

"(Renewable Energy Certificates for Generation of Thermal Energy)

"**SECTION 15. Section 16 of this 2016 Act is added to and made a part of ORS 469A.005 to 469A.210.**

"**SECTION 16. If a facility that generates electricity using biomass also generates thermal energy for a secondary purpose, the State Department of Energy, as part of the system established under ORS 469A.130, shall provide that renewable energy certificates must be**

issued for the generation of the thermal energy. For purposes of issuing renewable energy certificates under this section, 3,412,000 British thermal units are equivalent to one megawatt-hour.

"ACQUISITION OF ELECTRIC COMPANY SERVICE TERRITORY OR PROPERTY

"SECTION 17. Section 18 of this 2016 Act is added to and made a part of ORS chapter 757.

"SECTION 18. (1) For purposes of this section:

"(a) 'Electric company' has the meaning given that term in ORS 757.600.

"(b) 'Electric utility' has the meaning given that term in ORS 757.600.

"(c) 'Retail electricity consumer' has the meaning given that term in ORS 757.600.

"(2) Upon the request of an electric company, the Public Utility Commission shall establish a stranded costs obligation payable by an electric utility to an electric company in association with a condemnation or transaction described in subsection (3) of this section.

"(3)(a) An electric utility that condemns the service territory or property of an electric company, or acquires property pursuant to a transaction described in ORS 757.480, must pay the stranded costs obligation established by the commission under subsection (2) of this section.

"(b) The purpose of the stranded costs obligation is to prevent shifting the costs associated with the loss of service territory or property of an electric company from the retail electricity consumers of the electric utility to the retail electricity consumers of the electric company.

"(4) The commission may determine the stranded costs obligation in accordance with the Federal Energy Regulatory Commission's current methodology for determining stranded costs under the same or similar circumstances.

"(5) This section does not interfere with or supersede the jurisdiction of the Federal Energy Regulatory Commission.

"INCLUSION OF STATE AND FEDERAL PRODUCTION TAX CREDITS IN VARIABLE POWER COST FORECASTING PROCESS

"SECTION 18a. Section 18b of this 2016 Act is added to and made a part of ORS chapter 757.

"SECTION 18b. Each public utility that makes sales of electricity shall forecast on an annual basis the projected state and federal production tax credits received by the public utility due to variable renewable electricity production, and the Public Utility Commission shall allow those forecasts to be included in rates through any variable power cost forecasting process established by the commission.

"APPLICATION OF TERM 'PUBLIC UTILITY'

"SECTION 18c. For purposes of ORS chapter 757, the term 'public utility' does not include a people's utility district organized under ORS chapter 261 or an electric cooperative organized under ORS chapter 62.

"ENERGY EFFICIENCY

"SECTION 19. (1) As used in this section, 'electric company' has the meaning given that term in ORS 757.600.

"(2) The Legislative Assembly finds and declares that:

"(a) Energy efficiency programs promote lower energy bills, protect the public health and safety, improve environmental benefits, stimulate sustainable economic development, create new employment opportunities and reduce reliance on imported fuels; and

"(b) Demand response resources result in more efficient use of existing resources and reduce the need for procuring new power generating resources, which, in turn, reduces energy bills, protects the public health and safety and improves environmental benefits.

"(3) For the purpose of ensuring prudent investments by an electric company in energy efficiency and demand response before the electric company acquires new generating resources, and in order to produce cost-effective energy savings, reduce customer demand for energy, reduce overall electrical system costs, increase the public health and safety and improve environmental benefits, each electric company serving customers in this state shall:

"(a) Plan for and pursue all available energy efficiency resources that are cost effective, reliable and feasible; and

"(b) As directed by the Public Utility Commission by rule or order, plan for and pursue the acquisition of cost-effective demand response resources.

"TRANSPORTATION ELECTRIFICATION PROGRAMS

"SECTION 20. (1) As used in this section:

"(a) 'Electric company' has the meaning given that term in ORS 757.600.

"(b) 'Transportation electrification' means:

"(A) The use of electricity from external sources to provide power to all or part of a vehicle;

"(B) Programs related to developing the use of electricity for the purpose described in subparagraph (A) of this paragraph; and

"(C) Infrastructure investments related to developing the use of electricity for the purpose described in subparagraph (A) of this paragraph.

"(c) 'Vehicle' means a vehicle, vessel, train, boat or any other equipment that is mobile.

"(2) The Legislative Assembly finds and declares that:

"(a) Transportation electrification is necessary to reduce petroleum use, achieve optimum levels of energy efficiency and carbon reduction, meet federal and state air quality standards, meet this state's greenhouse gas emissions reduction goals described in ORS 468A.205 and improve the public health and safety;

"(b) Widespread transportation electrification requires that electric companies increase access to the use of electricity as a transportation fuel;

"(c) Widespread transportation electrification requires that electric companies increase access to the use of electricity as a transportation fuel in low and moderate income communities;

"(d) Widespread transportation electrification should stimulate innovation and competition, provide consumers with increased options in the use of charging equipment and in

procuring services from suppliers of electricity, attract private capital investments and create high quality jobs in this state;

"(e) Transportation electrification and the purchase and use of electric vehicles should assist in managing the electrical grid, integrating generation from renewable energy resources and improving electric system efficiency and operational flexibility, including the ability of an electric company to integrate variable generating resources;

"(f) Deploying transportation electrification and electric vehicles creates the opportunity for an electric company to propose, to the Public Utility Commission, that a net benefit for the customers of the electric company is attainable; and

"(g) Charging electric vehicles in a manner that provides benefits to electrical grid management affords fuel cost savings for vehicle drivers.

"(3) The Public Utility Commission shall direct each electric company to file applications, in a form and manner prescribed by the commission, for programs to accelerate transportation electrification. A program proposed by an electric company may include prudent investments in or customer rebates for electric vehicle charging and related infrastructure.

"(4) When considering a transportation electrification program and determining cost recovery for investments and other expenditures related to a program proposed by an electric company under subsection (3) of this section, the commission shall consider whether the investments and other expenditures:

"(a) Are within the service territory of the electric company;

"(b) Are prudent as determined by the commission;

"(c) Are reasonably expected to be used and useful as determined by the commission;

"(d) Are reasonably expected to enable the electric company to support the electric company's electrical system;

"(e) Are reasonably expected to improve the electric company's electrical system efficiency and operational flexibility, including the ability of the electric company to integrate variable generating resources; and

"(f) Are reasonably expected to stimulate innovation, competition and customer choice in electric vehicle charging and related infrastructure and services.

"(5)(a) Tariff schedules and rates allowed pursuant to subsection (3) of this section:

"(A) May allow a return of and a return on an investment made by an electric company under subsection (3) of this section; and

"(B) Shall be recovered from all customers of an electric company in a manner that is similar to the recovery of distribution system investments.

"(b) A return on investment allowed under this subsection may be earned for a period of time that does not exceed the depreciation schedule of the investment approved by the commission. When an electric company's investment is fully depreciated, the commission may authorize the electric company to donate the electric vehicle charging infrastructure to the owner of the property on which the infrastructure is located.

"(6) For purposes of ORS 757.355, electric vehicle charging infrastructure provides utility service to the customers of an electric company.

"(7) In authorizing programs described in subsection (3) of this section, the commission shall review data concerning current and future adoption of electric vehicles and utilization of electric vehicle charging infrastructure. If market barriers unrelated to the investment made by an electric company prevent electric vehicles from adequately utilizing available

electric vehicle charging infrastructure, the commission may not permit additional investments in transportation electrification without a reasonable showing that the investments would not result in long-term stranded costs recoverable from the customers of electric companies.

"SECTION 21. For purposes of section 20 of this 2016 Act, electric vehicle charging and related infrastructure must be installed on or after July 1, 2016.

"SOLAR PROGRAM

"(Community Solar Projects)

"SECTION 22. (1) For purposes of this section:

"(a) 'Community solar project' means one or more solar photovoltaic energy systems that provide owners and subscribers the opportunity to share the costs and benefits associated with the generation of electricity by the solar photovoltaic energy systems.

"(b) 'Electric company' has the meaning given that term in ORS 757.600.

"(c) 'Owner' means a customer of an electric company who has proportionate ownership of part of a community solar project, such as direct ownership of one or more solar panels or shared ownership of the infrastructure of the community solar project.

"(d) 'Project manager' means the entity identified as having responsibility for managing the operation of a community solar project and, if applicable, for maintaining contact with the electric company that procures electricity from the community solar project. A project manager may be:

"(A) An electric company; or

"(B) An independent third party.

"(e) 'Solar photovoltaic energy system' means equipment and devices that have the primary purpose of collecting solar energy and generating electricity by photovoltaic effect.

"(f) 'Subscriber' means a customer of an electric company who proportionately leases part of a community solar project for a minimum of 10 years.

"(2)(a) The Public Utility Commission shall establish by rule a program for the procurement of electricity from community solar projects. As part of the program, the commission shall:

"(A) Adopt rules prescribing what qualifies a community solar project to participate in the program;

"(B) Certify qualified community solar projects for participation in the program;

"(C) Prescribe the form and manner by which project managers may apply for certification under the program; and

"(D) Require, by rule or order, electric companies to enter into a 20-year power purchase agreement with a certified community solar project.

"(b) The commission shall adopt rules under paragraph (a)(A) of this subsection that, at a minimum:

"(A) Incentivize consumers of electricity to be owners or subscribers;

"(B) Minimize the shifting of costs from the program to ratepayers who do not own or subscribe to a community solar project;

"(C) Where an electric company is the project manager, protect owners and subscribers from undue financial hardship; and

"(D) Protect the public interest.

"(c) The commission may suspend the program adopted under this subsection if the commission has good cause to suspend the program.

"(3) A community solar project:

"(a) Must have at least one solar photovoltaic energy system with a minimum generating capacity of 25 kilowatts;

"(b) Must be located in this state; and

"(c) May be located anywhere in this state.

"(4) A project manager may offer ownership in or subscriptions to a community solar project only to consumers of electricity that are located:

"(a) In this state; and

"(b) In the service territory of an electric company.

"(5)(a) A project manager may offer proportional ownership in or proportional subscriptions to a community solar project in any amount that does not exceed a potential owner's or potential subscriber's average annual consumption of electricity.

"(b) Any value associated with the generation of electricity in excess of an offer to own or subscribe to a community solar project as limited by paragraph (a) of this subsection must be used by the electric company procuring electricity from the community solar project in support of low-income residential customers of the electric company.

"(6)(a) Except as provided in paragraph (b) of this subsection, an electric company shall credit an owner's or subscriber's electric bill for the amount of electricity generated by a community solar project for the owner or subscriber in a manner that reflects the resource value of solar energy. For purposes of this paragraph, the commission shall determine the resource value of solar energy.

"(b) The commission may adopt a rate for an electric company to use in crediting an owner's or subscriber's electric bill other than the rate described in paragraph (a) of this subsection if the commission has good cause to adopt the different rate.

"(7)(a) Except as otherwise provided in this section, owners and subscribers shall bear the costs and benefits of constructing and operating a community solar project.

"(b) Costs incurred by an electric company under the terms of a power purchase agreement entered into pursuant to subsection (2)(a)(D) of this section are recoverable in the rates of the electric company. Moneys collected pursuant to imposing those rates, under the terms of a power purchase agreement entered into pursuant to subsection (2)(a)(D) of this section, may be transferred to a project manager for the purpose of operating a community solar project.

"(c) All start-up costs prudently incurred during the development or modification of the program established under this section are recoverable in the rates of an electric company.

"(d) Owners and subscribers shall bear all ongoing costs incurred during the continued administration of the program established under this section.

"(8) Owners and subscribers own all renewable energy certificates established under ORS 469A.130 that are associated with the generation of electricity by a community solar project, in proportion to the owner's proportional ownership in or the subscriber's proportional subscription to the community solar project.

"(9) As part of the program established under this section, the commission shall:

"(a) Determine a methodology by which 10 percent of the total generating capacity of the

community solar projects operated under the program will be made available for use by low-income residential customers of electricity; and

"(b) Periodically review and adjust the percentage described in paragraph (a) of this subsection.

"(Repeal of Minimum Solar Energy Capacity Standard for Electric Companies)

"**SECTION 23. ORS 757.370 is repealed.**

"**SECTION 24.** ORS 757.375 is amended to read:

"757.375. (1) Any electricity produced from a [*qualifying system under ORS 757.370*] **solar photovoltaic energy system** that is physically located in this state may be used by an electric company to comply with the renewable portfolio standard established under ORS 469A.005 to 469A.210.

"(2) For each kilowatt-hour of electricity produced from a qualifying system that first becomes operational before January 1, 2016, and [*generates at least 500 kilowatts, an electric company will be credited with*] **has a nameplate capacity of between 500 kilowatts and five megawatts of alternating current, the Public Utility Commission shall credit the electric company with** two kilowatt-hours of qualifying electricity toward the **electric** company's compliance with the renewable portfolio standard under ORS 469A.005 to 469A.210, up to a maximum of 20 megawatts of capacity.

"**CONFORMING AMENDMENTS**

"**SECTION 25.** ORS 469A.100 is amended to read:

"469A.100. (1) Electric utilities are not required to comply with a renewable portfolio standard during a compliance year to the extent that the incremental cost of compliance, the cost of unbundled renewable energy certificates and the cost of alternative compliance payments under ORS 469A.180 exceeds four percent of the **electric** utility's annual revenue requirement for the compliance year.

"(2) For each electric company, the Public Utility Commission shall establish the annual revenue requirement for a compliance year no later than January 1 of the compliance year. **For each consumer-owned utility,** the governing body of [*a*] **the** consumer-owned utility shall establish the annual revenue requirement for [*the consumer-owned utility*] **a compliance year**.

"(3) The annual revenue requirement for an electric utility shall be calculated based only on the operations of the **electric** utility relating to electricity. The annual revenue requirement does not include any amount expended by the **electric** utility for energy efficiency programs for customers of the **electric** utility or for low income energy assistance, the incremental cost of compliance with a renewable portfolio standard, the cost of unbundled renewable energy certificates or the cost of alternative compliance payments under ORS 469A.180. The annual revenue requirement does include:

"(a) [*All*] **The** operating expenses of the **electric** utility during the compliance year, including depreciation and taxes; and

"(b) For electric companies, an amount equal to the total rate base of the **electric** company for the compliance year multiplied by the rate of return established by the commission for debt and

equity of the **electric** company.

"(4) For the purposes of this section, the incremental cost of compliance with a renewable portfolio standard is the difference between the levelized annual delivered cost of the qualifying electricity and the levelized annual delivered cost of an equivalent amount of reasonably available electricity that is not qualifying electricity. For the purpose of this subsection, the commission or **the** governing body of a consumer-owned utility shall use the net present value of delivered cost, including:

"(a) Capital, operating and maintenance costs of generating facilities;

"(b) Financing costs attributable to capital, operating and maintenance expenditures for generating facilities;

"(c) Transmission and substation costs;

"(d) Load following and ancillary services costs; and

"(e) Costs associated with using other assets, physical or financial, to integrate, firm or shape renewable energy sources on a firm annual basis to meet retail electricity needs.

"(5) For the purposes of this section, the governing body of a consumer-owned utility may include in the incremental cost of compliance with a renewable portfolio standard all expenses associated with research, development and demonstration projects related to the generation of qualifying electricity by the consumer-owned utility.

"(6) The commission shall establish limits on the incremental cost of compliance with the renewable portfolio standard for electricity service suppliers under ORS 469A.065 that are the equivalent of the cost limits applicable to the electric companies that serve the territories in which the electricity service supplier sells electricity to retail electricity consumers. If an electricity service supplier sells electricity in territories served by more than one electric company, the commission may provide for an aggregate cost limit based on the amount of electricity sold by the electricity service supplier in each territory. Pursuant to ORS 757.676, a consumer-owned utility may establish limits on the cost of compliance with the renewable portfolio standard for electricity service suppliers that sell electricity in the territory served by the consumer-owned utility.

"**SECTION 26.** ORS 469A.060 is amended to read:

"469A.060. (1) Electric utilities are not required to comply with the renewable portfolio standards described in ORS 469A.052 and 469A.055 to the extent that:

"(a) Compliance with the standard would require the **electric** utility to acquire electricity in excess of the **electric** utility's projected load requirements in any calendar year; and

"(b) Acquiring the additional electricity would require the **electric** utility to substitute qualifying electricity for electricity derived from an energy source other than coal, natural gas or petroleum.

"(2)(a) Electric utilities are not required to comply with a renewable portfolio standard to the extent that compliance would require the **electric** utility to substitute qualifying electricity for electricity available to the **electric** utility under contracts for electricity from dams that are owned by Washington public utility districts and **that** are located between the Grand Coulee Dam and the Columbia River's junction with the Snake River. The provisions of this subsection apply only to contracts entered into before June 6, 2007, and to renewal or replacement contracts for contracts entered into before June 6, 2007.

"(b) If a contract described in paragraph (a) of this subsection expires and is not renewed or replaced, the **electric** utility must comply, in the calendar year following the expiration of the contract, with the renewable portfolio standard applicable to the **electric** utility.

"(3) A consumer-owned utility is not required to comply with a renewable portfolio standard to the extent that compliance would require the **consumer-owned** utility to reduce the **consumer-owned** utility's purchases of the lowest priced electricity from the Bonneville Power Administration pursuant to section 5 of the Pacific Northwest Electric Power Planning and Conservation Act of 1980, P.L. 96-501, as in effect on June 6, 2007. The exemption provided by this subsection applies only to firm commitments for BPA electricity that the Bonneville Power Administration has assured will be available to a **consumer-owned** utility to meet agreed portions of the **consumer-owned** utility's load requirements for a defined period of time.

"REPORTS

"**SECTION 27. (1) On or after January 1, 2020, but no later than December 31, 2021, the Public Utility Commission shall investigate the impacts of the amendments to ORS 469A.052 by section 5 of this 2016 Act on:**

"(a) Rates;

"(b) Greenhouse gas emissions;

"(c) Electrical system reliability and operations;

"(d) The allocation of risk between customers of electric companies and electric companies;

"(e) The eligibility and timing of cost recovery for the generation of qualifying electricity; and

"(f) The resource procurement process.

"(2) In addition to the investigation described in subsection (1) of this section, on or after January 1, 2020, but no later than December 31, 2021, the commission shall investigate the forecasting of projected state and federal production tax credits as described in section 18b of this 2016 Act and allowing those costs to be included in rates through any variable power cost forecasting process established by the commission.

"(3) On or after January 1, 2020, but no later than December 31, 2021, the commission shall report the findings of the investigations conducted under this section to the interim committees of the Legislative Assembly related to business and energy. As part of the report, the commission may make recommendations for legislation. The commission shall submit the report in the manner required by ORS 192.245.

"**SECTION 28. On or before January 1, 2019, the Public Utility Commission shall report on the implementation of section 22 of this 2016 Act to the interim committees of the Legislative Assembly related to business and energy. As part of the report, the commission may make recommendations for legislation. The commission shall submit the report in the manner required by ORS 192.245.**

"**SECTION 28a. An electric company, as defined in ORS 757.600, that is subject to the provisions of ORS 469A.052 shall conduct an annual study on the cost per ton of carbon reduced due to complying with ORS 469A.052. After conducting the study, the electric company shall prepare a report summarizing the results of the study and submit the report to the Public Utility Commission, in a form and manner prescribed by the commission. After receiving the report, the commission shall post the report on a website maintained by the commission.**

"MISCELLANEOUS

"SECTION 29. The Public Utility Commission shall direct each electric company in this state to file applications as required by section 20 of this 2016 Act on or before December 31, 2016.

"SECTION 30. On or before July 1, 2017, the Public Utility Commission shall adopt rules for the implementation of community solar projects as required by section 22 of this 2016 Act.

"SECTION 31. The unit captions used in this 2016 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2016 Act.

"SECTION 32. This 2016 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect on its passage.".

/s/ Carl Wilson
Representative

/s/ Bill Kennemer
Representative