

DRAFT

SUMMARY

Establishes Oregon Public Utility Homeland Security Commission in Office of Emergency Management.

Establishes Oregon Public Utility Homeland Security Fund.

Establishes grant program for purpose of providing financial assistance to consumer-owned utilities for developing projects associated with mitigating damage resulting from natural disasters or responding to or recovering from natural disasters.

Authorizes issuance of lottery bonds to finance projects associated with mitigating damage resulting from natural disasters or responding to or recovering from natural disasters.

A BILL FOR AN ACT

Relating to utilities.

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

SECTION 1. (1) The Oregon Public Utility Homeland Security Commission is established in the Office of Emergency Management.

(2) The commission shall consist of five members appointed by the Governor, subject to confirmation by the Senate in the manner provided by ORS 171.562 and 171.565.

(3) The commission shall carry out the duties and functions described in section 2 of this 2017 Act.

(4) A majority of the members of the commission constitutes a quorum for the transaction of business.

(5) Official action by the commission requires the approval of a majority of the members of the commission.

(6) The commission shall elect one of its members to serve as

1 **chairperson.**

2 **(7) If there is a vacancy for any cause, the Governor shall make an**
3 **appointment to become immediately effective.**

4 **(8) The commission shall meet at times and places specified by the**
5 **call of the chairperson or of a majority of the members of the com-**
6 **mission.**

7 **(9) The commission may adopt rules necessary for the operation of**
8 **the commission.**

9 **SECTION 2. (1) As used in this section, “consumer-owned utility”**
10 **means a people’s utility district organized under ORS chapter 261, a**
11 **municipal utility organized under ORS chapter 225 or an electric co-**
12 **operative organized under ORS chapter 62.**

13 **(2) The Office of Emergency Management shall award grants from**
14 **the Oregon Public Utility Homeland Security Fund established under**
15 **section 3 of this 2017 Act to consumer-owned utilities for the purposes**
16 **of implementing projects related to mitigating damage resulting from**
17 **the occurrence of a natural disaster or responding to or recovering**
18 **from the occurrence of a natural disaster. Projects to which the office**
19 **may award a grant under this section may include:**

20 **(a) The evaluation of facilities owned by consumer-owned utilities**
21 **to determine whether the facilities meet state safety standards;**

22 **(b) The assessment of facilities owned by consumer-owned utilities**
23 **to determine capabilities and vulnerabilities;**

24 **(c) The review of facility construction standards related to service**
25 **reliability that are used by consumer-owned utilities;**

26 **(d) The establishment of resiliency measures;**

27 **(e) The development of a prioritization schedule for restoring power**
28 **to certain critical infrastructure, such as hospitals, after a power**
29 **outage; and**

30 **(f) The review of operations, planning and infrastructure protection**
31 **processes.**

1 **(3) To receive a grant under this section, a consumer-owned utility**
2 **shall submit to the Oregon Public Utility Homeland Security Com-**
3 **mission a proposal for a project described in subsection (2) of this**
4 **section. The proposal must include a description of the proposed**
5 **project, an explanation of the need for the project, the estimated cost**
6 **of the project and the estimated amount of grant moneys that the**
7 **consumer-owned utility needs to complete the project.**

8 **(4) The commission shall prescribe the form and manner of making**
9 **a proposal under this section.**

10 **(5) Upon receiving a proposal under this section, the commission**
11 **shall evaluate the proposal to determine whether to recommend to the**
12 **Office of Emergency Management the awarding of a grant to the**
13 **consumer-owned utility that submitted the proposal. In evaluating a**
14 **proposal, the commission shall consider:**

15 **(a) The need for the proposed project;**

16 **(b) The degree to which the project will mitigate damage resulting**
17 **from the occurrence of a natural disaster or enhance a consumer-**
18 **owner utility's ability to respond to or recover from the occurrence**
19 **of a natural disaster;**

20 **(c) The feasibility of a consumer-owned utility completing the**
21 **project; and**

22 **(d) The feasibility of a consumer-owned utility completing the**
23 **project at the estimated cost.**

24 **SECTION 3.** **(1) The Oregon Public Utility Homeland Security Fund**
25 **is established in the State Treasury, separate and distinct from the**
26 **General Fund. Interest earned by the Oregon Public Utility Homeland**
27 **Security Fund shall be credited to the fund.**

28 **(2) The fund shall consist of moneys appropriated by the Legislative**
29 **Assembly to the Office of Emergency Management for the purposes**
30 **described in section 2 of this 2017 Act.**

31 **(3) Moneys in the fund are continuously appropriated to the office**

1 for the purposes of:

2 (a) Awarding grants as described in section 2 of this 2017 Act; and

3 (b) Paying the administrative costs incurred under sections 1 and 2
4 of this 2017 Act.

5 **SECTION 4.** (1) In addition to and not in lieu of the budget au-
6 thorization to issue lottery bonds under ORS 286A.035, for the
7 biennium beginning July 1, 2017, at the request of the Oregon Depart-
8 ment of Administrative Services, after the department consults with
9 the Office of Emergency Management, the State Treasurer is author-
10 ized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an
11 amount that produces \$_____ in net proceeds and interest earnings for
12 the purposes described in section 2 of this 2017 Act, plus an additional
13 amount estimated by the State Treasurer to be necessary to pay
14 bond-related costs.

15 (2) Net proceeds of lottery bonds issued under this section and in-
16 terest earnings in an amount sufficient to provide \$_____ must be
17 transferred to the department to provide a grant to the Office of
18 Emergency Management. The office shall use the grant to fund
19 projects as described in section 2 of this 2017 Act.

20 (3) The Legislative Assembly finds that the use of lottery bond
21 proceeds pursuant to this section for the purposes of projects related
22 to mitigating damage resulting from the occurrence of a natural dis-
23 aster, or to responding to or recovering from the occurrence of a na-
24 tural disaster, creates jobs and furthers economic development.