

# House Bill 3348

Sponsored by Representatives HOLVEY, SMITH G (at the request of Oregon Building Trades Council)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides that electric company may use electricity to comply with renewable portfolio standard only if electricity is generated by facility that procures electricity in accordance with certain delivery requirements.

## A BILL FOR AN ACT

1  
2 Relating to utilities; creating new provisions; and amending ORS 469A.005.

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

4 **SECTION 1. Section 2 of this 2017 Act is added to and made a part of ORS 469A.005 to**  
5 **469A.210.**

6 **SECTION 2. (1) For purposes of ORS 469A.005 to 469A.210, an electric company may use**  
7 **electricity to comply with a renewable portfolio standard only if the electricity is generated**  
8 **by a facility that procures electricity in accordance with one of the following delivery re-**  
9 **quirements:**

10 (a) **The facility has a first point of interconnection within the metered boundaries of a**  
11 **balancing authority area of a balancing authority that serves any amount of the electrical**  
12 **load of an electric company in this state;**

13 (b) **The facility has a first point of interconnection with a distribution facility that is used**  
14 **to serve retail electricity consumers within the metered boundaries of a balancing authority**  
15 **area of a balancing authority that serves any amount of the electrical load of an electric**  
16 **company in this state; or**

17 (c) **If the facility is not interconnected as described in paragraphs (a) and (b) of this**  
18 **subsection, the electricity procured by the facility is scheduled for delivery to a balancing**  
19 **authority that serves any amount of the electrical load of an electric company in this state**  
20 **without substituting electricity from any other source.**

21 (2) **For purposes of subsection (1)(c) of this section, the use of any other energy source**  
22 **to provide ancillary services that are necessary to maintain an hourly or subhourly import**  
23 **schedule by the balancing authority is permitted, and electricity generated by the facility**  
24 **may be used for the purpose of complying with the requirements of ORS 469A.005 to 469A.210**  
25 **even if the amount of electricity generated is different than the amount of electricity nec-**  
26 **essary to maintain the hourly or subhourly import schedule.**

27 **SECTION 3. ORS 469A.005, as amended by section 3, chapter 28, Oregon Laws 2016, is amended**  
28 **to read:**

29 469A.005. As used in ORS 469A.005 to 469A.210:

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

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 charter, if the city:

2 (a) Already owns, controls or operates an electric light and power system for supplying elec-  
3 tricity to the inhabitants of the city and for general municipal purposes;

4 (b) Provides fair, just and reasonable compensation to the electric company whose service ter-  
5 ritory is acquired that:

6 (A) Gives consideration for the service territory rights and the cost of the facility, plant or  
7 equipment acquired and for depreciation, fair market value, reproduction cost and any other rele-  
8 vant factor; and

9 (B) Is based on the present value of the service territory rights and the facility, plant and  
10 equipment acquired, including the value of poles, wires, transformers and similar and related appli-  
11 ances necessarily required to provide electric service; and

12 (c) Pays any stranded costs obligation established pursuant to section 18, chapter 28, Oregon  
13 Laws 2016.

14 **(2) “Ancillary services” means services necessary or incidental to the transmission and**  
15 **delivery of electricity from generating facilities to retail electricity consumers.**

16 **(3) “Balancing authority” means the entity responsible for integrating resource plans**  
17 **ahead of time, maintaining load-interchange-generation balance within a balancing authority**  
18 **area and supporting interconnection frequency in real time.**

19 **(4) “Balancing authority area” means the collection of generation, transmission and loads**  
20 **within the metered boundaries of a balancing authority.**

21 [(2)] **(5) “Banked renewable energy certificate” means a bundled or unbundled renewable energy**  
22 **certificate that is not used by an electric utility or electricity service supplier to comply with a**  
23 **renewable portfolio standard in a calendar year, and that is carried forward for the purpose of**  
24 **compliance with a renewable portfolio standard in a subsequent year.**

25 [(3)] **(6) “BPA electricity” means electricity provided by the Bonneville Power Administration,**  
26 **including electricity generated by the Federal Columbia River Power System hydroelectric projects**  
27 **and electricity acquired by the Bonneville Power Administration by contract.**

28 [(4)] **(7) “Bundled renewable energy certificate” means a renewable energy certificate for quali-**  
29 **fying electricity that is acquired:**

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

32 (b) By an electric utility by generation of the electricity for which the renewable energy cer-  
33 tificate was issued.

34 [(5)] **(8) “Compliance year” means the calendar year for which the electric utility or electricity**  
35 **service supplier seeks to establish compliance with the renewable portfolio standard applicable to**  
36 **the electric utility or electricity service supplier in the compliance report submitted under ORS**  
37 **469A.170.**

38 [(6)] **(9) “Consumer-owned utility” means a municipal electric utility, a people’s utility district**  
39 **organized under ORS chapter 261 that sells electricity or an electric cooperative organized under**  
40 **ORS chapter 62.**

41 [(7)] **(10) “Distribution utility” has the meaning given that term in ORS 757.600.**

42 [(8)] **(11) “Electric company” has the meaning given that term in ORS 757.600.**

43 [(9)] **(12) “Electric utility” has the meaning given that term in ORS 757.600.**

44 [(10)] **(13) “Electricity service supplier” has the meaning given that term in ORS 757.600.**

45 [(11)] **(14) “Qualifying electricity” means electricity described in ORS 469A.010.**

1        [(12)] (15) “Renewable energy source” means a source of electricity described in ORS 469A.025.

2        [(13)] (16) “Retail electricity consumer” means a retail electricity consumer, as defined in ORS  
3 757.600, that is located in Oregon.

4        [(14)] (17) “Unbundled renewable energy certificate” means a renewable energy certificate for  
5 qualifying electricity that is acquired by an electric utility or electricity service supplier by trade,  
6 purchase or other transfer without acquiring the electricity that is associated with the renewable  
7 energy certificate.

8        **SECTION 4. Notwithstanding section 2 of this 2017 Act, electricity generated by a facility**  
9 **that does not procure electricity in accordance with the delivery requirements specified in**  
10 **section 2 of this 2017 Act may be used by an electric company to comply with a renewable**  
11 **portfolio standard if that electricity is delivered to the electric company pursuant to a con-**  
12 **tract or other legal obligation in effect on the effective date of this 2017 Act. A contract or**  
13 **other legal obligation described in this section may not be renewed.**

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