

Requested by Senator BEYER

**PROPOSED AMENDMENTS TO
SENATE BILL 1044**

1 On page 1 of the printed bill, line 2, delete “276.255,”.

2 In line 3, delete “, 757.355”.

3 Delete lines 5 through 24 and delete pages 2 through 13 and insert:

4 **“SECTION 1. (1) As used in this section and section 2 of this 2019**
5 **Act, ‘zero-emission vehicle’ means a battery electric vehicle, a plug-in**
6 **hybrid electric vehicle or a hydrogen fuel cell vehicle or any type of**
7 **vehicle defined by the State Department of Energy or the Environ-**
8 **mental Quality Commission by rule as a ‘zero-emission vehicle’ if the**
9 **vehicle’s type and fuel are consistent with the goals set forth in this**
10 **section.**

11 **“(2) The Legislative Assembly finds that:**

12 **“(a) Motor vehicle emissions contribute significantly to air pol-**
13 **lution in this state.**

14 **“(b) In 2019, the Oregon transportation sector was responsible for**
15 **approximately 40 percent of this state’s greenhouse gas emissions, and**
16 **light-duty vehicles were responsible for more than half of the trans-**
17 **portation sector’s emissions.**

18 **“(c) Motor vehicle emissions, especially greenhouse gases, are dif-**
19 **ficult to reduce and will rise over time if not limited by additional laws**
20 **and regulations.**

21 **“(d) Absent significant changes in the types of motor vehicles used**

1 by people and businesses in Oregon, the state will not meet the
2 greenhouse gas emissions reduction goals set forth in ORS 468A.205.

3 “(e) In ORS 757.357, the Legislative Assembly found that transpor-
4 tation electrification is necessary to reduce petroleum use, achieve
5 optimum levels of energy efficiency and carbon reduction, meet federal
6 and state air quality standards, meet this state’s greenhouse gas
7 emissions reduction goals set forth in ORS 468A.205 and improve the
8 public health and safety.

9 “(f) Existing federal and state incentives and programs are insuffi-
10 cient to transform the motor vehicle market on a timeline that will
11 protect Oregonians from the worst impacts of global climate change.

12 “(g) The purchase and ownership of zero-emission vehicles can re-
13 duce the overall energy costs paid by Oregon households and the spe-
14 cific costs associated with meeting transportation needs.

15 “(h) A robust and well-operating market for zero-emission vehicles
16 is essential to meeting this state’s greenhouse gas emissions reduction
17 goals.

18 “(i) Certain residents and communities face greater barriers to
19 purchasing or leasing zero-emission vehicles, and additional support
20 and innovative solutions are necessary to ensure that all Oregon
21 households benefit from transportation electrification.

22 “(3) The Legislative Assembly declares the following goals:

23 “(a) Transformation of the motor vehicle market must occur no
24 later than 2035.

25 “(b) Programs and support must be provided to accelerate
26 Oregonians’ purchase and use of zero-emission vehicles until
27 greenhouse gas emissions from vehicles are declining at a rate con-
28 sistent with this state’s greenhouse gas emissions reduction goals set
29 forth in ORS 468A.205.

30 “(c) The adoption and use of zero-emission vehicles must be evalu-

1 ated regularly to determine whether the rate of the adoption and use
2 of zero-emission vehicles will put the state on course to meet its
3 greenhouse gas emissions reduction goals.

4 “(4) To promote acquisition and use of zero-emission vehicles, all
5 entities of the executive department, as defined in ORS 174.112, shall
6 lead by example by:

7 “(a) Purchasing or leasing light-duty or medium-duty zero-emission
8 vehicles, consistent with ORS 283.327, when purchasing or leasing ve-
9 hicles;

10 “(b) Adopting policies and rules that promote the goals set forth in
11 this section; and

12 “(c) Considering recommendations submitted in the report required
13 by section 2 of this 2019 Act that relate to zero-emission vehicles and
14 adopting the recommendations when feasible.

15 “SECTION 2. (1) On or before September 15 of each odd-numbered
16 year, the State Department of Energy shall submit to the Governor
17 and an interim committee of the Legislative Assembly related to the
18 environment a report on adoption of zero-emission vehicles in this
19 state and the progress the state is making to achieve reductions in
20 greenhouse gas emissions in the transportation sector. The report
21 shall provide:

22 “(a) A review, using existing studies, market reports, polling data
23 or other publicly available information, of the market in this state for
24 zero-emission vehicles and any barriers to adopting zero-emission ve-
25 hicles in this state;

26 “(b) An assessment of the state’s progress in promoting the goals
27 set forth in section 1 of this 2019 Act; and

28 “(c) The date on which the state is predicted to meet the goals set
29 forth in section 1 of this 2019 Act.

30 “(2) The department may contract with third parties to assist in

1 performing the duties described in subsection (1) of this section.

2 “(3) The department shall assess the state’s progress under sub-
3 section (1)(b) of this section. The assessment must focus on commer-
4 cially available, or near-commercially available, zero-emission vehicle
5 technology, to the extent possible, and rely on existing studies, data
6 and analysis. In the assessment, the department shall evaluate:

7 “(a) Whether the transportation sector is on course to reduce the
8 share of greenhouse gas emissions from motor vehicles, as defined in
9 ORS 801.360, consistent with the greenhouse gas emissions reduction
10 goals set forth in ORS 468A.205.

11 “(b) The sales figures and numbers of zero-emission vehicles that
12 are owned in Oregon, including forecasts as to whether:

13 “(A) By 2020, 50,000 registered motor vehicles will be zero-emission
14 vehicles;

15 “(B) By 2025, at least 250,000 registered motor vehicles will be zero-
16 emission vehicles;

17 “(C) By 2030, at least 25 percent of registered motor vehicles, and
18 at least 50 percent of new motor vehicles sold annually, will be zero-
19 emission vehicles; and

20 “(D) By 2035, at least 90 percent of new motor vehicles sold annually
21 will be zero-emission vehicles.

22 “(c) The sales figures and numbers of zero-emission vehicles that
23 are owned in Oregon, differentiated, to the extent feasible, by demo-
24 graphic factors, including whether persons that own zero-emission
25 vehicles reside in urban or rural areas.

26 “(d) The availability and reliability of public and private electric
27 vehicle charging infrastructure that is needed to support the targets
28 for zero-emission vehicle sales and registration identified in paragraph
29 (b) of this subsection. The department shall assess reliability under
30 this paragraph only if the department requests and obtains informa-

1 tion on reliability from providers of electric vehicle charging
2 infrastructure.

3 “(e) The incremental purchase cost difference, before and after
4 federal and state incentives, between the purchase cost of a zero-
5 emission vehicle and the purchase cost of a comparable vehicle pow-
6 ered by an internal combustion engine.

7 “(f) The zero-emission vehicles that are available for purchase in
8 all market segments.

9 “(g) Oregonians’ awareness of motor vehicle options, the benefits
10 of owning zero-emission vehicles and the true costs of motor vehicle
11 ownership.

12 “(h) The carbon intensity of fuel consumed by the Oregon trans-
13 portation sector as a whole.

14 “(i) The general progress toward electrification of all fossil fuel-
15 based transportation modes.

16 “(j) Opportunities to minimize impacts to the electric grid from
17 transportation electrification, including rate design, managed charg-
18 ing, vehicle-to-grid services and electricity conservation techniques.

19 “(k) In consultation with the Department of Transportation, the
20 impact of the sales and ownership of zero-emission vehicles on reve-
21 nues that would otherwise accrue to the State Highway Fund under
22 ORS 366.505.

23 “(4) If the State Department of Energy determines that the state
24 is not on course to meet the goals set forth in section 1 of this 2019
25 Act, the department shall make recommendations in the report re-
26 quired by this section, including recommendations for legislation. Re-
27 commended legislation:

28 “(a) May not mandate required levels of motor vehicle sales.

29 “(b) Must promote the zero-emission vehicle market, address bar-
30 riers to adoption of zero-emission vehicles in the light-duty portion of

1 **the transportation sector, encourage transportation electrification and**
2 **further the goals set forth in section 1 of this 2019 Act.**

3 **“SECTION 3.** ORS 283.327 is amended to read:

4 **“283.327. (1)(a) Unless a state agency finds that it is not feasible for**
5 **a zero-emission vehicle, as defined in section 1 of this 2019 Act, to meet**
6 **the specific use for which a vehicle will be purchased or leased, by 2025**
7 **the agency shall purchase or lease zero-emission vehicles for at least**
8 **25 percent of new state light-duty vehicle purchases and leases, to the**
9 **extent zero-emission vehicles are available.**

10 **“(b) If the agency finds that purchasing or leasing zero-emission**
11 **vehicles is not feasible, the agency may purchase or lease light-duty**
12 **vehicles that are capable of using alternative fuel and that meet the**
13 **requirements established by the Comprehensive National Energy Pol-**
14 **icy Act of 1992 (P.L. 102-486).**

15 **“(c) If the agency finds that purchasing or leasing zero-emission**
16 **vehicles is not feasible and that purchasing or leasing light-duty ve-**
17 **hicles that are capable of using alternative fuel and that meet the re-**
18 **quirements established by the Comprehensive National Energy Policy**
19 **Act of 1992 (P.L. 102-486) is not feasible, the agency may purchase or**
20 **lease vehicles that the Department of Environmental Quality has**
21 **identified by rule as low-emission vehicles.**

22 **“[(1)] (2) To the maximum extent [economically possible] feasible, state-**
23 **owned motor vehicles shall be zero-emission vehicles or use alternative**
24 **fuel for operation.**

25 **“[(2) State agencies shall acquire only motor vehicles capable of using al-**
26 **ternative fuel, except that acquired vehicles assigned to areas unable econom-**
27 **ically to dispense alternative fuel need not be so configured.]**

28 **“(3) Each agency owning motor vehicles shall comply with all safety**
29 **standards established by the United States Department of Transportation in**
30 **the conversion, operation and maintenance of vehicles using alternative fuel.**

1 “(4) To the maximum extent economically possible, state-owned structures
2 shall use biofuel, or direct-application electricity generated from biofuel,
3 where diesel is currently utilized for stationary or back-up generation.

4 “(5) **As used in this section:**

5 “(a) **‘Light-duty vehicle’ includes passenger cars, sedans, station**
6 **wagons, pickup trucks with a gross vehicle rating of 2,000 pounds or**
7 **less, minivans equipped for passengers or cargo, sports utility vehicles,**
8 **crossover utility vehicles and specialty vehicles similar to vehicles**
9 **identified in this paragraph.**

10 “(b) **‘Light-duty vehicle’ does not include police vehicles, fire vehi-**
11 **cles, trucks to which a load-carrying device or container is not at-**
12 **tached or trucks that are equipped with a dump, flatbed, tank, boom**
13 **lift, crane or similar device.**

14 “**SECTION 4.** ORS 283.327, as amended by section 3 of this 2019 Act, is
15 amended to read:

16 “283.327. (1)(a) Unless a state agency finds that it is not feasible for a
17 zero-emission vehicle, as defined in section 1 of this 2019 Act, to meet the
18 specific use for which a vehicle will be purchased or leased, [*by 2025 the*
19 *agency shall purchase or lease zero-emission vehicles for at least 25 percent of*
20 *new state light-duty vehicle purchases and leases, to the extent zero-emission*
21 *vehicles are available.*] **the agency shall purchase or lease zero-emission**
22 **vehicles for all new state light-duty vehicle purchases and leases.**

23 “(b) If the agency finds that purchasing or leasing zero-emission vehicles
24 is not feasible, the agency may purchase or lease light-duty vehicles that are
25 capable of using alternative fuel and that meet the requirements established
26 by the Comprehensive National Energy Policy Act of 1992 (P.L. 102-486).

27 “(c) If the agency finds that purchasing or leasing zero-emission vehicles
28 is not feasible and that purchasing or leasing light-duty vehicles that are
29 capable of using alternative fuel and that meet the requirements established
30 by the Comprehensive National Energy Policy Act of 1992 (P.L. 102-486) is

1 not feasible, the agency may purchase or lease vehicles that the Department
2 of Environmental Quality has identified by rule as low-emission vehicles.

3 “(2) To the maximum extent feasible, state-owned motor vehicles shall be
4 zero-emission vehicles or use alternative fuel for operation.

5 “(3) Each agency owning motor vehicles shall comply with all safety
6 standards established by the United States Department of Transportation in
7 the conversion, operation and maintenance of vehicles using alternative fuel.

8 “(4) To the maximum extent economically possible, state-owned structures
9 shall use biofuel, or direct-application electricity generated from biofuel,
10 where diesel is currently utilized for stationary or back-up generation.

11 “(5) As used in this section:

12 “(a) ‘Light-duty vehicle’ includes passenger cars, sedans, station wagons,
13 pickup trucks with a gross vehicle rating of 2,000 pounds or less, minivans
14 equipped for passengers or cargo, sports utility vehicles, crossover utility
15 vehicles and specialty vehicles similar to vehicles identified in this para-
16 graph.

17 “(b) ‘Light-duty vehicle’ does not include police vehicles, fire vehicles,
18 trucks to which a load-carrying device or container is not attached or trucks
19 that are equipped with a dump, flatbed, tank, boom lift, crane or similar de-
20 vice.

21 **“SECTION 5.** ORS 283.337 is amended to read:

22 “283.337. (1) Prior to December 31 of each year, each agency owning mo-
23 tor vehicles shall submit an annual report to the Department of Environ-
24 mental Quality and the State Department of Energy. The report shall contain
25 at a minimum:

26 “[1] (a) The number of vehicles acquired that are capable of using al-
27 ternative fuel;

28 “[2] (b) The number of vehicles converted from the use of gasoline to
29 the use of alternative fuel;

30 “[3] (c) The [quantity] **amount** of each type of alternative fuel used **in**

1 **the vehicles; [and]**

2 **“(d) The number of zero-emission vehicles, as defined in section 1**
3 **of this 2019 Act, acquired;**

4 **“(e) The amount of electricity used in the zero-emission vehicles;**
5 **and**

6 **“[(4)] (f) Any other information required by the Department of Environ-**
7 **mental Quality and the State Department of Energy.**

8 **“(2) In the report, an agency that purchases or leases a vehicle that**
9 **is not a zero-emission vehicle shall explain the reason for the purchase**
10 **of an alternative fuel, hybrid or low-emission vehicle and demonstrate**
11 **that purchasing or leasing a zero-emission vehicle was not feasible.**
12 **To assess the feasibility of a zero-emission vehicle under this sub-**
13 **section, an agency may not consider any incremental cost of a zero-**
14 **emission vehicle over a comparable vehicle.**

15 **“(3) For purposes of the report, plug-in hybrid electric vehicles are**
16 **not vehicles that are capable of using alternative fuel.**

17 **“SECTION 6. ORS 283.343 is amended to read:**

18 **“283.343. At least biennially, the Oregon Department of Administrative**
19 **Services shall examine compliance with rules adopted pursuant to ORS**
20 **283.340 by state agencies owning vehicles. The department shall submit**
21 **biennially to the Joint Legislative Audit Committee a management report**
22 **on state-owned motor vehicles that includes:**

23 **“(1) Summaries of agency compliance examinations, with specific empha-**
24 **sis on noncomplying state agency fleets;**

25 **“(2) Numbers of motor vehicles, listed by model and by state agency;**

26 **“(3) Mileage utilization of motor vehicles, listed by state agency;**

27 **“(4) Operating cost per mile of motor vehicles, listed by state agency; and**

28 **“(5) Recommendations for increasing motor vehicle utilization, for de-**
29 **creasing the overall motor vehicle population, for increasing the percent-**
30 **age of zero-emission vehicles within the motor pool and agency fleets**

1 and for absorbing noncomplying state agency fleets into the motor pool.

2 **“SECTION 7.** ORS 757.612 is amended to read:

3 “757.612. (1) There is established an annual public purpose expenditure
4 standard for electric companies and Oregon Community Power to fund new
5 cost-effective energy conservation, new market transformation efforts, the
6 above-market costs of new renewable energy resources and new low-income
7 weatherization. The public purpose expenditure standard shall be funded by
8 the public purpose charge described in subsection (2) of this section.

9 “(2)(a) Beginning on the date an electric company or Oregon Community
10 Power offers direct access to retail electricity consumers, except residential
11 electricity consumers, the electric company or Oregon Community Power
12 shall collect a public purpose charge from all of the retail electricity con-
13 sumers located within the electric company’s or Oregon Community Power’s
14 service area until January 1, 2026. Except as provided in paragraph (b) of
15 this subsection, the public purpose charge shall be equal to three percent of
16 the total revenues collected by the electric company, Oregon Community
17 Power or the electricity service supplier from retail electricity consumers for
18 electricity services, distribution services, ancillary services, metering and
19 billing, transition charges and other types of costs included in electric rates
20 on July 23, 1999.

21 “(b) For an aluminum plant that averages more than 100 average mega-
22 watts of electricity use per year, the electric company or Oregon Community
23 Power, whichever serves territory that abuts the greatest percentage of the
24 site of the aluminum plant, shall collect from the aluminum company a
25 public purpose charge equal to one percent of the total revenue from the sale
26 of electricity services to the aluminum plant from any source.

27 “(3)(a) The Public Utility Commission shall establish rules implementing
28 the provisions of this section relating to electric companies and Oregon
29 Community Power.

30 “(b) Except as provided in paragraph (e) of this subsection, funds collected

1 through public purpose charges under subsection (2) of this section shall be
2 allocated as follows:

3 “(A) Sixty-three percent for new cost-effective energy conservation and
4 new market transformation efforts.

5 “(B) Nineteen percent for the above-market costs of constructing and op-
6 erating new renewable energy resources with a nominal electric generating
7 capacity, as defined in ORS 469.300, of 20 megawatts or less.

8 “(C) Thirteen percent for new low-income weatherization.

9 “(D) Five percent for deposit in the Housing and Community Services
10 Department Electricity Public Purpose Charge Fund established by ORS
11 456.587 (1) for the purpose of providing grants as described in ORS 458.625
12 (2).

13 “(c) The costs of administering subsections (1) to (6) of this section for
14 an electric company or Oregon Community Power shall be paid out of the
15 funds collected through public purpose charges. The commission may require
16 an electric company or Oregon Community Power to direct funds collected
17 through public purpose charges to state agencies responsible for implement-
18 ing subsections (1) to (6) of this section in order to pay the costs of admin-
19 istering subsections (1) to (6) of this section.

20 “(d) The commission shall direct the manner in which public purpose
21 charges are collected and spent by an electric company or Oregon Commu-
22 nity Power and may require an electric company or Oregon Community
23 Power to expend funds through competitive bids or other means designed to
24 encourage competition, except that funds dedicated for new low-income
25 weatherization shall be directed to the Housing and Community Services
26 Department for purposes related to new low-income weatherization. The
27 commission may also require funds collected through public purpose charges
28 to be paid to a nongovernmental entity for investment in public purposes
29 described in subsection (1) of this section. Notwithstanding any other pro-
30 vision of this subsection:

1 “(A) If an electric company collected the funds, at least 80 percent of the
2 funds allocated for new cost-effective energy conservation shall be spent
3 within the service area of the electric company; or

4 “(B) If Oregon Community Power collected the funds, at least 80 percent
5 of the funds allocated for new cost-effective energy conservation shall be
6 spent within the service area of Oregon Community Power.

7 “(e)(A) The first 10 percent of funds collected each year by an electric
8 company or Oregon Community Power under subsection (2) of this section
9 shall be distributed to school districts that are located in the service terri-
10 tory of the electric company or Oregon Community Power. The funds shall
11 be distributed to individual school districts according to the weighted aver-
12 age daily membership (ADMw) of each school district for the prior fiscal
13 year as calculated under ORS 327.013. The commission shall establish by rule
14 a methodology for distributing a proportionate share of funds under this
15 paragraph to school districts that are only partially located in the service
16 territory of the electric company or Oregon Community Power.

17 “(B) A school district that receives funds under this paragraph shall use
18 the funds first to pay for energy audits for schools located within the school
19 district **or for a fleet audit for the school district**. [*A school district may*
20 *not expend additional funds received under this paragraph on a school until*
21 *an energy audit has been completed for that school.*] To the extent practicable,
22 a school district shall coordinate with the State Department of Energy and
23 incorporate federal funding in complying with this paragraph. Following
24 completion of an [*energy*] audit [*for an individual school*], the school district
25 may expend funds received under this paragraph to implement the [*energy*]
26 audit.

27 “(C) Once an energy audit has been conducted and completely imple-
28 mented for each school within the school district, the school district may
29 expend funds received under this paragraph for any of the following pur-
30 poses:

1 “(i) Conducting additional energy audits. A school district shall conduct
2 an energy audit prior to expending funds on any other purpose authorized
3 under this paragraph unless the school district has performed an energy au-
4 dit within the three years immediately prior to receiving the funds.

5 “(ii) Weatherizing school district facilities and upgrading the energy ef-
6 ficiency of school district facilities.

7 “(iii) Energy conservation education programs.

8 “(iv) Purchasing electricity from environmentally focused sources.

9 “(v) Investing in renewable energy resources.

10 **“(D) Once a fleet audit has been conducted for the school district,**
11 **the school district may expend funds received under this paragraph for**
12 **any of the following purposes:**

13 **“(i) Purchasing or leasing zero-emission vehicles, as defined in sec-**
14 **tion 1 of this 2019 Act, including buses.**

15 **“(ii) Purchasing or installing electric vehicle charging stations to**
16 **provide electricity to zero-emission vehicles.**

17 “(f) The commission may not establish a different public purpose charge
18 than the public purpose charge described in subsection (2) of this section.

19 “(g) If the commission requires funds collected through public purpose
20 charges to be paid to a nongovernmental entity, the entity shall:

21 “(A) Include on the entity’s board of directors an ex officio member des-
22 ignated by the commission, who shall also serve on the entity’s nominating
23 committee for filling board vacancies.

24 “(B) Require the entity’s officers and directors to provide an annual dis-
25 closure of economic interest to be filed with the commission on or prior to
26 April 15 of each calendar year for public review in a form similar to the
27 statement of economic interest required for public officials under ORS
28 244.060.

29 “(C) Require the entity’s officers and directors to declare actual and po-
30 tential conflicts of interest at regular meetings of the entity’s governing body

1 when such conflicts arise, and require an officer or director to abstain from
2 participating in any discussion or voting on any item where that officer or
3 director has an actual conflict of interest. For the purposes of this subpara-
4 graph, ‘actual conflict of interest’ and ‘potential conflict of interest’ have the
5 meanings given those terms in ORS 244.020.

6 “(D) Annually, arrange for an independent auditor to audit the entity’s
7 financial statements, and direct the auditor to file an audit opinion with the
8 commission for public review.

9 “(E) Annually file with the commission the entity’s budget, action plan
10 and quarterly and annual reports for public review.

11 “(F) At least once every five years, contract for an independent manage-
12 ment evaluation to review the entity’s operations, efficiency and effective-
13 ness, and direct the independent reviewer to file a report with the
14 commission for public review.

15 “(h) The commission may remove from the board of directors of a non-
16 governmental entity an officer or director who fails to provide an annual
17 disclosure of economic interest, or who fails to declare an actual or potential
18 conflict of interest, as described in paragraph (g)(B) and (C) of this sub-
19 section, if the failure is connected to the allocation or expenditure of funds
20 collected through public purpose charges and paid to the entity.

21 “(4)(a) An electric company that satisfies its obligations under this sec-
22 tion:

23 “(A) Has no further obligation to invest in new cost-effective energy
24 conservation, new market transformation or new low-income weatherization,
25 or to provide a commercial energy conservation services program; and

26 “(B) Is not subject to ORS 469.631 to 469.645 and 469.860 to 469.900.

27 “(b) Oregon Community Power, for any period during which Oregon
28 Community Power collects a public purpose charge under subsection (2) of
29 this section:

30 “(A) Has no further obligation to invest in new cost-effective energy

1 conservation, new market transformation or new low-income weatherization,
2 or to provide a commercial energy conservation services program; and

3 “(B) Is not subject to ORS 469.631 to 469.645 and 469.860 to 469.900.

4 “(5)(a) A retail electricity consumer that uses more than one average
5 megawatt of electricity at any site in the prior year shall receive a credit
6 against public purpose charges billed by an electric company or Oregon
7 Community Power for that site. The amount of the credit shall be equal to
8 the total amount of qualifying expenditures for new cost-effective energy
9 conservation, not to exceed 68 percent of the annual public purpose charges,
10 and the above-market costs of new renewable energy resources incurred by
11 the retail electricity consumer, not to exceed 19 percent of the annual public
12 purpose charges, less administration costs incurred under this paragraph and
13 paragraphs (b) and (c) of this subsection. The credit may not exceed, on an
14 annual basis, the lesser of:

15 “(A) The amount of the retail electricity consumer’s qualifying expendi-
16 tures; or

17 “(B) The portion of the public purpose charge billed to the retail elec-
18 tricity consumer that is dedicated to new cost-effective energy conservation,
19 new market transformation or the above-market costs of new renewable en-
20 ergy resources.

21 “(b) To obtain a credit under paragraph (a) of this subsection, a retail
22 electricity consumer shall file with the State Department of Energy a de-
23 scription of the proposed conservation project or new renewable energy re-
24 source and a declaration that the retail electricity consumer plans to incur
25 the qualifying expenditure. The State Department of Energy shall issue a
26 notice of precertification within 30 days of receipt of the filing, if such filing
27 is consistent with paragraph (a) of this subsection. The credit may be taken
28 after a retail electricity consumer provides a letter from a certified public
29 accountant to the State Department of Energy verifying that the precertified
30 qualifying expenditure has been made.

1 “(c) Credits earned by a retail electricity consumer as a result of quali-
2 fying expenditures that are not used in one year may be carried forward for
3 use in subsequent years.

4 “(d)(A) A retail electricity consumer that uses more than one average
5 megawatt of electricity at any site in the prior year may request that the
6 State Department of Energy hire an independent auditor to assess the po-
7 tential for conservation investments at the site. If the independent auditor
8 determines there is no available conservation measure at the site that would
9 have a simple payback of one to 10 years, the retail electricity consumer
10 shall be relieved of 54 percent of its payment obligation for public purpose
11 charges related to the site. If the independent auditor determines that there
12 are potential conservation measures available at the site, the retail elec-
13 tricity consumer shall be entitled to a credit against public purpose charges
14 related to the site equal to 54 percent of the public purpose charges less the
15 estimated cost of available conservation measures.

16 “(B) A retail electricity consumer shall be entitled each year to the credit
17 described in this paragraph unless a subsequent independent audit deter-
18 mines that new conservation investment opportunities are available. The
19 State Department of Energy may require that a new independent audit be
20 performed on the site to determine whether new conservation measures are
21 available, provided that the independent audits occur no more than once
22 every two years.

23 “(C) The retail electricity consumer shall pay the cost of the independent
24 audits described in this paragraph.

25 “(6) Electric utilities and retail electricity consumers shall receive a fair
26 and reasonable credit for the public purpose expenditures of their energy
27 suppliers. The State Department of Energy shall adopt rules to determine
28 eligible expenditures and the method by which such credits are accounted for
29 and used. The State Department of Energy also shall adopt methods to ac-
30 count for eligible public purpose expenditures made through consortia or

1 collaborative projects.

2 “(7)(a) In addition to the public purpose charge provided under subsection
3 (2) of this section, an electric company or Oregon Community Power shall
4 collect funds for low-income electric bill payment assistance in an amount
5 determined under paragraph (b) of this subsection.

6 “(b) The commission shall establish the amount to be collected by each
7 electric company from retail electricity consumers, and the rates to be
8 charged by each electric company to retail electricity consumers, so that the
9 forecasted collection by all electric companies in calendar year 2018 is \$20
10 million. In subsequent calendar years, the commission may not decrease the
11 rates below those established for calendar year 2018. The commission may
12 temporarily adjust the rates if forecasted collections or actual collections are
13 less than \$20 million in any calendar year. A retail electricity consumer may
14 not be required to pay more than \$500 per month per site for low-income
15 electric bill payment assistance.

16 “(c) Funds collected through the low-income electric bill payment assist-
17 ance charge shall be paid into the Housing and Community Services De-
18 partment Low-Income Electric Bill Payment Assistance Fund established by
19 ORS 456.587 (2). Moneys deposited in the fund under this paragraph shall be
20 used by the Housing and Community Services Department solely for purposes
21 related to low-income electric bill payment assistance and for the Housing
22 and Community Services Department’s cost of administering this subsection.
23 Funds collected by an electric company or Oregon Community Power under
24 this subsection shall be expended in the service area of the electric company
25 or Oregon Community Power from which the funds are collected.

26 “(d)(A) The Housing and Community Services Department shall determine
27 the manner in which funds collected under this subsection will be allocated
28 by the Housing and Community Services Department to energy assistance
29 program providers for the purpose of providing low-income bill payment and
30 crisis assistance.

1 “(B) The Housing and Community Services Department, in consultation
2 with electric companies, shall investigate and may implement alternative
3 delivery models to effectively reduce service disconnections and related costs
4 to retail electricity consumers and electric utilities.

5 “(C) Priority assistance shall be directed to low-income electricity con-
6 sumers who are in danger of having their electricity service disconnected.

7 “(D) The Housing and Community Services Department shall maintain
8 records and provide those records upon request to an electric company,
9 Oregon Community Power and the Citizens’ Utility Board established under
10 ORS chapter 774 on a quarterly basis. Records maintained must include the
11 numbers of low-income electricity consumers served, the average amounts
12 paid to low-income electricity consumers and the type of assistance provided
13 to low-income electricity consumers. Electric companies and Oregon Com-
14 munity Power shall, if requested, provide the Housing and Community Ser-
15 vices Department with aggregate data relating to low-income electricity
16 consumers served on a quarterly basis to support program development.

17 “(e) Interest on moneys deposited in the Housing and Community Services
18 Department Low-Income Electric Bill Payment Assistance Fund established
19 by ORS 456.587 (2) may be used to provide bill payment and crisis assistance
20 to electricity consumers whose primary source of heat is not electricity.

21 “(f) Notwithstanding ORS 757.310, the commission may allow an electric
22 company or Oregon Community Power to provide reduced rates or other bill
23 payment or crisis assistance or low-income program assistance to a low-
24 income household eligible for assistance under the federal Low Income Home
25 Energy Assistance Act of 1981, as amended and in effect on July 23, 1999.

26 “(8) For purposes of this section, ‘retail electricity consumers’ includes
27 any direct service industrial consumer that purchases electricity without
28 purchasing distribution services from the electric utility.

29 “(9) For purposes of this section, funds collected by Oregon Community
30 Power through public purpose charges are not considered moneys received

1 from electric utility operations.

2 **“SECTION 8. The amendments to ORS 283.327 by section 4 of this**
3 **2019 Act become operative on January 1, 2029.”.**

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