

## HB 3221 STAFF MEASURE SUMMARY

### House Committee On Water

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**Prepared By:** Allison Daniel, LPRO Analyst

**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 3/9

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#### WHAT THE MEASURE DOES:

Directs Public Utility Commission (PUC) to implement Oregon Renewable Options (ORO) Program to provide local governments, service districts and tribal governments with greater choice over the renewable energy that powers and increases resilience of their communities. Establishes process for the development, approval and implementation of an ORO Community Program. Establishes requirements of ORO Community Program application including, but not limited to, specification of cumulative generating capacity requested to be supplied, the date by which renewable energy shall begin being supplied, and energy project scoring criteria used to determine the renewable energy projects to include in a proposal. Allows qualifying utility to meet requirements of an application by supplying electricity from any combination of one or more small or large renewable energy projects.

Requires the cumulative generating capacity of all small renewable energy projects included in a single proposal to be a minimum of the lesser of five megawatts or five percent of the cumulative generating capacity requested. Limits cumulative generating capacity of all large renewable energy projects included in a single proposal to not exceed 95 percent of the cumulative generating capacity requested. Establishes requirements for qualified utility implementing an ORO Community Program including, but not limited to, providing notice of automatic enrollment and opportunity for eligible customers to opt out of the program. Allows the PUC to investigate qualified utility's compliance with reliability standards and integrity of qualified utility's electrical system when participating in ORO Community Program. Establishes process for issuing temporary exemption for qualified utility if reliability or integrity issue exists.

Directs PUC to adopt rules necessary to carry out implementation of ORO Program including, but not limited to, provisions on the number of public stakeholder meetings necessary for public engagement process; requirements for solicitation and acquisition of renewable energy resources; processes for determining electricity rates for participating customers; process for identifying and hiring independent evaluator; and timelines applicable to application, proposal and approval processes. Directs PUC to conduct rulemaking in an open public process. Authorizes PUC to take action before operative date of January 1, 2023, to enable conformity with provisions of the bill. Takes effect on 91<sup>st</sup> day after the 2021 regular session adjourns sine die.

*May have fiscal impact, but no statement yet issued.*

*May have revenue impact, but no statement yet issued.*

#### ISSUES DISCUSSED:

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

Oregon's Renewable Portfolio Standard (RPS) was enacted in 2007 through SB 838. In 2016, the passage of SB 1547 amended the RPS to require 50 percent of the electricity used in the state to come from renewable resources by 2040, including benchmarks along the way. Renewable energy sources that comply with Oregon's

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RPS include wind, solar photovoltaic and solar thermal, wave, tidal, ocean thermal, geothermal, small hydropower, landfill gas and other biogases, and certain biomass products.

The Public Utility Commission (PUC) regulates customer rates and services of Oregon's investor-owned electric and natural gas utilities, among others. The PUC does not regulate consumer-owned utilities, such as people's utility districts and rural electric cooperatives.

House Bill 3221 would establish the Oregon Renewable Options Program under the direction of the PUC.