

Chair:  
Rep. Marsh

Vice-Chair:  
Rep. Helm  
Rep. Brock Smith

Staff:  
Erin Pischke, LPRO Analyst  
Tessa Harvey, Committee Assistant

Members:  
Rep. Kotek  
Rep. Moore-Green  
Rep. Owens  
Rep. Pham



81<sup>st</sup> LEGISLATIVE ASSEMBLY  
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENT  
State Capitol  
900 Court St. NE, Rm. 347  
Salem, OR 97301  
503-986-1813

To: Members of the House Energy and Environment Committee  
From: Erin Pischke, LPRO Analyst  
Date: April 10, 2021  
Re: Measure summaries for April 12, 2021 work session

Dear Chair Marsh, Vice-chairs Brock Smith and Helm, Speaker Kotek, and members of the House Energy and Environment Committee,

Per the request of Chair Marsh, the following document contains summaries of measures being considered for a vote in the work sessions on April 12, 2021, in the House Energy and Environment Committee meeting. This should be considered a draft document containing preliminary information. The most recent, updated information on each measure can be found online on the Oregon Legislative Information page; hyperlinks to each measure's staff measure summary are included in this document.

Best,

Erin Pischke  
Legislative Policy and Research Office Analyst

## HEE Measure Summaries for 4.12.21

Apr 10, 2021 12:20 PM

Measure ID (hyperlinked); amendment(s) considered for a vote	Base bill and amendment(s) summaries	Chief Sponsor; Contact	Fiscal Impact	Revenue Impact	Subsequent Referral(s)
<a href="#">HB 2021 staff measure summary</a>					
<a href="#">HB 2021</a>	Directs Public Utility Commission to study laws related to clean energy and provide results to interim committees of Legislative Assembly no later than September 15, 2022.	Rep.MARSH	May have fiscal impact, but no statement yet issued	May have revenue impact, but no statement yet issued	
HB 2021-23	The -23 amendment replaces the measure and modifies and adds laws related to utilities, including: <ul style="list-style-type: none"> <li>•Clean Energy Targets, requiring retail electricity providers to meet the following greenhouse gas emissions reduction targets for greenhouse gas emissions below baseline emissions levels: by 2030, 80 percent; by 2035, 90 percent; and by 2040, 100 percent.</li> <li>•Study on Small Scale Renewable Energy Projects</li> <li>•Customer Supported Renewables</li> <li>•Providing Information About Clean Energy Programs to Customers and the Public</li> <li>•Responsible Contractor Labor Standards</li> <li>•Natural Gas Plants</li> <li>•Community Renewable Energy Project Grant Program</li> </ul>	Oriana Magnera, Energy and Climate Policy Coordinator, <Verde orianamagnera@verdenw.org>	May have fiscal impact, but no statement yet issued	May have revenue impact, but no statement yet issued	
Measure ID (hyperlinked); amendment(s) considered for a vote	Base bill and amendment(s) summaries	Chief Sponsor; Contact	Fiscal Impact	Revenue Impact	Subsequent Referral(s)
<a href="#">HB 2143 staff measure summary</a>					
<a href="#">HB 2143</a>	Changes annual fees for all power claimants to match annual fees for other hydroelectric projects.	Water Resources Department; Department of Environmental Quality; Department of Fish and Wildlife	May have fiscal impact, but no statement yet issued	May have revenue impact, but no statement yet issued	Ways and Means

**Note:** This is a preliminary draft. All measure history information is considered unofficial until the formal revision process is complete and the record certified as accurate. The formal revision process is conducted upon adjournment sine die of the Eighty-first Oregon Legislative Assembly

HB 2143-4	The -4 amendment establishes fee computation methodology for hydroelectric projects, including a methodology for projects that divert water from a point on a river that forms a border with another state. Requires a holder of a hydroelectric project to pay \$0.48 per theoretical horsepower for a project producing more than 123.5 theoretical horsepower in certain instances.	Bryn Hudson, Water Policy Analyst/Legislative Coordinator, Water Resources Department; Rian Vanden Hooff, Senior Policy & Legislative Analyst, Department of Environmental Quality, <Rian.HOOFF@state.or.us>; Shannon Hurn, Deputy Director for Fish and Wildlife Programs, Department of Fish and Wildlife, <shannon.m.hurn@state.or.us>			
Measure ID (hyperlinked); amendment(s) considered for a vote	Base bill and amendment(s) summaries	Chief Sponsor; Contact	Fiscal Impact	Revenue Impact	Subsequent Referral(s)
<a href="#">HB 2398 staff measure summary</a>					
<a href="#">HB 2398</a>	Requires Director of Department of Consumer and Business Services to ensure that statewide Reach Code mandates achievement of not more than 90 percent of site energy use that other statewide residential and commercial building codes require.	Rep.HELM, Sen.DEMBROW, Sen.BEYER	May have fiscal impact, but no statement yet issued	May have revenue impact, but no statement yet issued	
HB 2398-15	<i>Summary forthcoming</i>	David Van't Hof, Climate Solutions, <vanthof30@gmail.com>			
Measure ID (hyperlinked); amendment(s) considered for a vote	Base bill and amendment(s) summaries	Chief Sponsor; Contact	Fiscal Impact	Revenue Impact	Subsequent Referral(s)
<a href="#">HB 2488 staff measure summary</a>					
<a href="#">HB 2488</a>	Requires Land Conservation and Development Commission to make changes to statewide land use planning goals by December 31, 2026, to address climate justice by addressing climate change adaptation and mitigation and environmental justice for disadvantaged communities.	Rep.POWER, Rep.HELM, Sen.GOLDEN, Sen.DEMBROW	May have fiscal impact, but no statement yet issued	May have revenue impact, but no statement yet issued	Ways and Means
HB 2488-7	The -7 amendment requires Land Conservation and Development Commission to amend the statewide land use planning goal relating to citizen involvement and				

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	appropriates to the Commission \$800,000 out of the General Fund for the biennium beginning July 1, 2021, to adopt an amendment to the statewide land use planning goal and to facilitate the adoption of the goal by local governments.				
Measure ID (hyperlinked); amendment(s) considered for a vote	Base bill and amendment(s) summaries	Chief Sponsor; Contact	Fiscal Impact	Revenue Impact	Subsequent Referral(s)
<a href="#">HB 2495 staff measure summary</a>					
<a href="#">HB 2495</a>	Revises provisions relating to chemicals in children's products.	Rep.NERON, Sen.DEMBROW	May have fiscal impact, but no statement yet issued	May have revenue impact, but no statement yet issued	
HB 2495-7	The -7 requires the Oregon Health Authority (OHA) to consider including on the list of high priority chemicals of concern for children's health when used in children's products chemicals that are listed as chemicals of high concern in Washington, Maine, Vermont, or Minnesota. Authorizes OHA to include a class of chemicals on the list and if it does, it may exclude from the list specific members of the class of chemicals that do not share the same hazards as the other members of the class of chemicals.	Morgan Gratz-Weiser, Oregon Environmental Council, <morgang@oeconline.org>			
Measure ID (hyperlinked); amendment(s) considered for a vote	Base bill and amendment(s) summaries	Chief Sponsor; Contact	Fiscal Impact	Revenue Impact	Subsequent Referral(s)
<a href="#">HB 2520 staff measure summary</a>					
<a href="#">HB 2520</a>	Requires Land Conservation and Development Commission to amend statewide land use planning goals related to energy conservation to incorporate development of renewable energy facilities and reduction of greenhouse gas emissions and to match state energy policies.	Rep.HELM, Rep.MARSH	May have fiscal impact, but no statement yet issued	Revenue impact issued	
HB 2520-4	The -4 amendment requires Land Conservation and Development Commission (LCDC), on or before July 1, 2022, to adopt rules identifying reasons sufficient for a county to justify an exception for facilities generating	Land Conservation and Development Commission: Emma Land, <eland@dlcd.state.or.us>;			

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	electricity from renewable energy sources that are otherwise not allowed under the applicable statewide planning goal or goals. It also appropriates to LCDC \$300,000 to adopt rules for the biennium beginning July 1, 2021.	Jon Jinings <rjinings@dlcd.state.or.us>; Palmer Mason <pmason@dlcd.state.or.us>			
Measure ID (hyperlinked); amendment(s) considered for a vote	Base bill and amendment(s) summaries	Chief Sponsor; Contact	Fiscal Impact	Revenue Impact	Subsequent Referral(s)
<a href="#">HB 2814 staff measure summary</a>					
<a href="#">HB 2814</a>	Directs Environmental Quality Commission to establish and implement indirect source review program.	Rep.DEXTER, Rep.PHAM	May have fiscal impact, but no statement yet issued	May have revenue impact, but no statement yet issued	
HB 2814-3	The -3 amendment requires the Department of Environmental Quality to study program and policy approaches to reducing diesel engine emissions attributable to indirect sources of air contamination. It requires DEQ to submit a report to the interim committees of the Legislative Assembly related to the environment no later than September 15, 2022.				
Measure ID (hyperlinked); amendment(s) considered for a vote	Base bill and amendment(s) summaries	Chief Sponsor; Contact	Fiscal Impact	Revenue Impact	Subsequent Referral(s)
<a href="#">HB 3180 staff measure summary</a>					
<a href="#">HB 3180</a>	Modifies and adds laws related to utilities.	Rep.HELM	May have fiscal impact, but no statement yet issued	May have revenue impact, but no statement yet issued	
HB 3180-3	The -3 amendment imposes qualifying electricity requirements on consumer-owned utility on the electricity sold to retail electricity consumers and requires electricity				

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	sold in this state by certain electric companies to be composed of electricity generated from specific sources, including but not limited to small-scale renewable energy projects or small power production facilities. It also establishes responsible labor standards.				
<b>Measure ID (hyperlinked); amendment(s) considered for a vote</b>	<b>Base bill and amendment(s) summaries</b>	<b>Chief Sponsor; Contact</b>	<b>Fiscal Impact</b>	<b>Revenue Impact</b>	<b>Subsequent Referral(s)</b>
<a href="#"><u>HB 3278 staff measure summary</u></a>					
<a href="#"><u>HB 3278</u></a>	Directs State Department of Fish and Wildlife, in consultation with Department of State Lands and State Parks and Recreation Department, to study potential for developing commercial seaweed production to produce feed for livestock as means to reduce methane emissions.	Rep.SMITH DB	May have fiscal impact, but no statement yet issued	May have revenue impact, but no statement yet issued	
HB 3278-1	The -1 amendment directs the State Department of Agriculture, in partnership with Oregon State University, to study the potential for developing commercial seaweed production to produce feed for livestock as a means to reduce methane emissions. Directs the Department to present the study in a report to an appropriate committee or interim committee of the Legislative Assembly on or before September 15, 2022. Sunsets study and reporting requirements on January 2, 2023.				
<b>Measure ID (hyperlinked); amendment(s) considered for a vote</b>	<b>Base bill and amendment(s) summaries</b>	<b>Chief Sponsor; Contact</b>	<b>Fiscal Impact</b>	<b>Revenue Impact</b>	<b>Subsequent Referral(s)</b>
<a href="#"><u>HB 3375 staff measure summary</u></a>					
<a href="#"><u>HB 3375</u></a>	Establishes goal of planning for development of three gigawatts of commercial scale floating offshore wind energy projects within federal waters off Oregon Coast by 2030.	Rep.SMITH DB	May have fiscal impact, but no statement yet issued	May have revenue impact, but no statement yet issued	Ways and Means

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<b>HB 3375-2</b>	There is a -2 amendment that requires federal planning or permitting process for offshore energy research and development in federal waters off the Oregon coast to adequately consider the prompt decommissioning of any offshore facility after permanent cessation of use of the facility. Requires State Department of Energy (ODOE) to conduct a literature review on the benefits and challenges of integrating up to 3 gigawatts of floating offshore wind energy into Oregon's electric grid by 2030.				
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Preliminary

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**HB 2021 -1, -3, -4, -5, -6, -8, -9, -10, -11, -21, -22, -23 STAFF**

**MEASURE SUMMARY**

**House Committee On Energy and Environment**

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**Prepared By:** Erin Pischke, LPRO Analyst

**Meeting Dates:** 3/22, 4/5, 4/7, 4/12

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**WHAT THE MEASURE DOES:**

Directs the Public Utility Commission to conduct a study of laws related to clean energy and provide the results of the study in a report to the interim committees of the Legislative Assembly no later than September 15, 2022. Repeals study of laws related to clean energy on January 2, 2023. Takes effect 91<sup>st</sup> day following adjournment sine die.

**ISSUES DISCUSSED:**

- Timeline for achieving clean energy targets
- Potential community benefits of local renewable energy projects
- Impact on regional energy grid
- Potential state and federal investment in Oregon
- Opportunities for achieving local job growth
- Potential changes in customer rates

**EFFECT OF AMENDMENT:**

**Clean energy targets**

-1 Establishes as state policy that electricity supplied to retail electricity consumers 1) produces zero greenhouse gas emissions; 2) is generated in a manner that provides additional direct benefits to communities in this state in the forms of creating and sustaining meaningful living wage jobs, promoting workforce equity, and increasing energy security and resiliency; and 3) that policy implementation is done in a manner that minimizes burdens for environmental justice communities. Requires retail electricity providers to seek to provide only nonemitting electricity to the provider's retail electricity consumers by 2040. Requires retail electricity providers to create a clean energy plan to the Public Utility Commission (PUC) and to the Environmental Quality Commission (EQC), and to reduce annual greenhouse gas emissions associated with the electricity sold to retail electricity consumers by 80 percent below baseline emissions level by 2030 and by 90 percent below baseline emissions level by 2035. Requires the EQC to determine and verify retail electricity providers' baseline emissions level and the amount of emissions reduction necessary to meet the established clean energy targets in the state policy. Requires the EQC to report retail electricity providers' baseline emissions level to the PUC. Requires the PUC to acknowledge the clean energy plans no later than six months after plan is filed and evaluate the plans' 1) related environmental or health benefits; 2) feasibility of plan; 3) impacts on reliability and resiliency of electric system; 4) availability of federal policy incentives; and other relevant factors. Requires retail electricity provider to report electricity that is generated from the underlying renewable energy source. Requires the PUC to consider unexpected greenhouse gas emissions when determining whether a retail electricity provider has complied with clean energy targets in the policy. Authorizes the PUC to grant temporary exemption for a specific amount of time to an electric company that cannot comply with targets outlined in clean energy plan if certain criteria are met, and require alternative compliance rates or payments during temporary exemption period. Authorizes retail electricity providers to request PUC to open an investigation to provide accounting for investments made, costs incurred or forecasted costs estimated by the retail electricity provider in order to comply with clean energy targets. Requires PUC to provide retail electricity providers an exemption from further compliance with clean energy targets upon determination that the actual or anticipated cumulative rate impact exceeds six percent of the annual revenue



requirement for a compliance year. Authorizes PUC to apply a performance incentive for early compliance with one or more of the clean energy targets in a calendar year by a retail electricity provider. Establishes that the clean energy targets in the policy do not modify the requirements of Renewable Portfolio Standards. Requires PUC to adopt rules to implement clean energy targets.

**Electricity market participation**

Requires the State of Oregon to coordinate and collaborate with other states to achieve the goal of aligning accounting methodologies where possible while also ensuring market rules do not undermine state policy objectives. Authorizes Department of Environmental Quality (DEQ) to open a rulemaking to address issues relating to electric utilities' participation in existing and future electricity markets and the role of markets in furthering the state's clean energy policy. Repeals temporary exemption for purposes of meeting reliability standards of North American Electric Reliability Corporation and limits on cost of compliance with renewable portfolio standard (469A.062, 469A.100). Repeals authorization for an electric company or electricity service supplier requirement to make alternative compliance payments that would result in the company or supplier exceeding the cost limitation established under renewable portfolio standard (469A.100).

**Study on small scale renewable energy projects**

Requires State Department of Energy (DOE) to convene a work group comprised of various stakeholders to examine opportunities to encourage development of small-scale renewable energy projects in this state that contribute to economic development and local energy resiliency. Requires State DOE to report on current status and trends for small-scale renewable energy development in this state and may include recommendations to an interim committee of the Legislative Assembly related to energy no later than September 30, 2022. Repeals requirement for small-scale renewable energy development report on December 31, 2022.

**Customer-supported renewables**

Authorizes electric companies to offer retail electricity individual consumers or groups of consumers a voluntary renewable energy option that differs from the electric company's regulated, cost-of-service option, which is a program of rates or charges that reflect the cost of an electric company program to serve retail electricity consumers with electricity: 1) partially or completely derived from new or existing renewable energy resources or nonemitting resources; or 2) paired with unbundled renewable energy certificates, from new or existing renewable energy resources. Requires PUC to allow an electric company to file a schedule with the commission that establishes the rates, terms and conditions of services offered under the voluntary renewable energy tariff, if the tariff minimizes cost and risk of shifting to non-participating electricity consumers and jurisdictions; and facilitates electricity consumer attainment of renewable energy or climate goals. Authorizes an electric company to offer retail electricity consumers a voluntary renewable energy option that differs from the electric company's regulated, cost-of-service rate option. Requires PUC to regulate the portfolio of rate options under a voluntary renewable energy option and reasonably ensure that the costs and risks of serving each option are reflected in the rates for each option, where such rates may include a monthly flat rate or charge in addition to usage. Authorizes an electric company serving fewer than 25,000 customers in this state to propose a program for approval by the commission if the program meets certain criteria.

**Contractor labor standards for customer-supported renewables**

Requires a person who constructs or repowers a renewable energy resource or nonemitting resource sited in this state that is intended to be used predominately by an electric company to meet projected obligations to retail electricity consumer under a voluntary renewable energy option to attest or declare that during all periods of construction the person will follow contractor labor standards, including, but not limited to, paying employees the prevailing rate of wage for an hour's work in the same trade or occupation in the locality where the labor and offer employer-paid health care and retirement benefits to the employees performing the labor on the

construction project.

#### **Non-pricing attributes to resource procurement evaluation**

Authorizes PUC to include, as part of the commission's competitive bidding guidelines, non-pricing attributes, which promote resiliency, provide economic benefit to communities in this state or comply with fair labor standards and practices, of a resource as part of the scoring criteria for evaluating utility resource procurement options. Requires PUC to submit a report on the use and role of non-price attributes for evaluating utility resource procurements to an interim committee of the Legislative Assembly related to energy no later than September 15, 2023. Repeals PUC non-price attributes reporting requirement on July 1, 2024.

#### **Nonbypassability of social and environmental costs**

Requires PUC to allow recovery of costs through a charge on retail electricity consumers receiving electricity from electricity service suppliers, of costs tied to the economic, environmental, social or equity programs and policies imposed on electric companies by state or federal law, regulation or order, that the retail electricity consumers may avoid by obtaining electricity through direct access.

#### **Providing information about clean energy programs to customers**

Requires electricity service supplier to provide in every bill to a direct access retail electricity consumer, among other information, power source and environmental impact information necessary—equivalent to the power source and environmental impact information that the commission requires electric companies to disclose to retail electricity consumers, including for power supplied through the electricity service supplier's own generating resources, and is not subject to confidentiality—to ensure that all consumers have useful, reliable, and necessary information to exercise informed choice. Authorizes PUC to waive the requirement for bill consolidation by an electric company if the waiver results in effective billing procedures for retail electricity consumers.

#### **Natural gas plants**

Prohibits Energy Facility Siting Council from issuing a site certificate for a generating facility, with some exceptions, that produces electric power from fossil fuels, including natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from such material.

Takes effect 91<sup>st</sup> day following adjournment sine die.

#### **Renewable portfolio standards**

-3 Requires that **the following percentages** of the electricity sold in the calendar years **listed** to retail electricity consumers by electric utilities 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 must be qualifying electricity to meet the large utility renewable portfolio standard requirements: 1) **at least 20 percent** in each of the calendar years **2020 and 2021**; 2) **at least 23 percent by 2022**; 3) **at least 90 percent by 2035**; and 4) **100 percent by 2050** and subsequent calendar years. Permits electric utilities to not comply with a renewable portfolio standard to the extent that compliance would require the electric utility to substitute qualifying electricity for legacy carbon-free electricity that is available to the utility by ownership or existing, renewal, or replacement contracts entered into before the effective date of this 2021 Act, unless the contract expires and is not renewed or replaced, or if a legacy carbon-free electricity generating facility is retired or removed from service to retail electricity consumers, beginning in the calendar year following the expiration, retirement, or removal. Requires Public Utility Commission (PUC) or the governing body of a consumer-owned utility to use the net present value of delivered cost, including: costs associated with compliance with all applicable local, state, regional, or federal laws other than the renewable portfolio standard, including but not limited to laws relating to emissions pricing, the social cost of carbon, resilience or reliability. Requires PUC to adopt by rule standards and procedures for imposing penalties and impose a penalty, not recoverable in the rates of an electric company, against the company or supplier in an

amount determined by the commission to be sufficient to deter noncompliance if an electric company or electricity service supplier that is subject to a renewable portfolio standard fails to comply with the standard.

#### **Direct energy resiliency or environmental benefits**

Requires **50 percent** of the electric utility's renewable energy certificates used to meet the renewable portfolio standard applicable to that electric utility in a compliance year **must be for electricity generated by a facility that provides direct energy resiliency or environmental benefits** in this state. Requires **50 percent** of the **stored electricity** out of the electricity available to an electric utility from an electricity storage facility and used by the electric utility to offset the renewable portfolio standard must be from an electricity storage facility constructed on or after the effective date of this 2021 Act that **provides direct energy resiliency or environmental benefits** in this state. Prohibits PUC from causing delay, due to the pendency of any rulemaking or other proceeding, any procurement or request for proposals that will result in the procurement by an electric utility of electricity from a facility that meets statutory criteria.

#### **Community-based renewable energy**

Incorporates goal for community-based renewable energy projects (ORS 469A.210) into and made a part of Utility Regulation Generally (ORS chapter 757). Requires each electric company that makes sales of electricity to 25,000 or more retail electricity consumers in this state to be composed of electricity generated by **small-scale renewable energy projects** that meet certain criteria, to generate the following percentages of electricity sold in this state: **1) five percent by 2030 and 2) 10 percent by 2035.**

#### **Integrated clean energy implementation planning**

Repeals implementation plan for electric companies, annual reports, and rules (ORS 469A.075). Requires electric companies to develop an integrated, clean energy implementation plan for meeting the requirements of all clean energy standards applicable to the electric company and file the implementation plan with the PUC and updated every two years.

#### **Clean energy storage**

Disallows PUC from prohibiting, or treating as a retail purchase or sale, the wholesale purchase of electricity for wholesale resale by an energy storage system. Requires a transmission facility to facilitate the wholesale purchase of electricity for wholesale resale by an energy storage system, subject to reasonable pass-through expenses.

#### **Utility Regulation Generally**

Requires PUC to serve the public interest by: 1) When deciding or deliberating toward a decision, protecting the customers of any public utility or telecommunications utility, and the public generally; 2) Developing and implementing policies and rules that encourage social equity, environmental justice, the enhancement of the environment, greenhouse gas emissions reductions, diversity of the ownership and locations of electricity generation systems, resiliency for emergency conditions including wildfire risks, and the fulfillment of the state's energy and climate policies; 3) Allowing and fostering broad participation in the regulatory process; and 4) Protecting the 10 percent of residential ratepayers with the lowest incomes from cost increases associated with the consequences of state policies. Requires the Court of Appeals to declare a rule adopted by the PUC invalid if it finds the rule to be arbitrary and capricious. Creates liability for a public utility to a person injured by a wrong or omission in certain instances if the public utility does, or causes or permits to be done, any matter, act or thing prohibited by various Oregon Revised Statutes, with damages and attorney fees paid by a public utility to a prevailing party in an action under this section prohibited from being recovered in the rates of the public utility. Requires PUC to establish one or more performance-based ratemaking mechanisms or other rules to incentivize electric companies to: 1) Earn an annual margin of profit on power purchase agreements for the purchase of energy or energy and capacity that is at a rate determined by the commission not to exceed the rate of return allowed on assets owned by an electric company; and 2) Acquire electricity storage facilities that are, at a

minimum, charged at least 90 percent by legacy carbon-free electricity or qualifying electricity. Requires PUC to adopt a performance-based ratemaking mechanism that allows for an electric company to: 1) Receive one or more graduated performance incentives, or to be subject to one or more graduated performance disincentives, in the form of an increased or decreased overall rate of return, respectively, for overperforming or underperforming relative to the one or more of the clean energy standards applicable to the electric company in a calendar year; and 2) pay a performance incentive on specific power purchase agreements applicable to compliance with the clean energy standards applicable to the electric company if the power purchase agreements meet certain criteria. Requires electric companies to offer, in all competitive procurement contracts, standard contracts and rates, to purchase energy or energy and capacity at price premiums of up to specific percentages of the purchase price. Authorizes PUC to adopt by rule or order procedures and any other provisions as necessary to require an electric company to offer price premiums in amounts that are no less than one-half of the maximum price premiums of specific percentages of the purchase price.

#### **Cogeneration and small power production facilities**

Requires PUC to 1) promote the development of a diverse array of permanently sustainable energy resources using the public and private sectors to the highest degree possible; and 2) insure that rates for purchases by an electric utility from, and rates for sales to, a qualifying facility shall over the term of a contract be just and reasonable to the electric consumers of the electric utility, the qualifying facility, and in the public interest. Requires electric utilities at least once every two years to prepare, publish, and file with the PUC a schedule of avoided costs equaling the utility's forecasted incremental cost of electric resources over at least the next **35** years. Requires PUC to review and approve prices contained in the schedules of avoided costs filed by public utilities. Requires electric utilities' calculate avoided costs to 1) be available to the qualifying facility at fixed rates for a specific amount of time; 2) not be less than the equivalent cost for a utility-owned facility that is, if applicable, appropriately used as a reference facility; 3) account for the scarcity of availability and development of generation and transmission given reasonable projections of supply and demand, which must consider the effects of local, state, regional or federal laws relating to clean energy, emissions pricing, the social cost of carbon, resilience, or reliability; and 4) account for penalties and performance-based ratemaking mechanisms and certain price premiums. Requires an electric utility to forecast a reasonable failure rate for qualifying facilities as compared to the total amount contracted in identifying resource needs through integrated resource planning and in calculating avoided costs. Requires a public utility to offer, and PUC to approve, standard avoided-cost rates and simple standard contracts, that meet certain criteria, for the purchase of energy or energy and capacity from qualifying facilities with a design capacity of not greater than 80 megawatts alternating current. Requires a public utility to offer long-term contracts, that meet certain terms, for the purchase of all the energy or energy and capacity offered from a qualifying facility. Requires PUC to provide separate standard pricing schedules, including capacity price values for each hour of the day in each month of the year, offering incremental capacity pricing for storage facilities that are co-located or otherwise incorporated with qualifying facilities if the storage facilities charge from the qualifying facility. Requires PUC to act in good faith and with fair dealing in providing, executing, and carrying out agreements for the purchase of energy or energy and capacity from a qualifying facility and regarding all related interconnection studies and processes. Prohibits a public utility from: 1) delaying or impeding contracting requested by the developer of a qualifying facility; 2) conditioning the provision of draft agreements or the execution of an agreement on the completion of interconnection studies, any matter within the public utility's control or any matter that is solely specified by the developer of the qualified facility; or 3) asserting sole authority for the drafting of such agreements. Provides PUC subject matter jurisdiction over a complaint brought by a qualifying facility against a public utility in order to establish the terms and conditions of a legally enforceable obligation for the qualifying facility to sell energy or energy and capacity to a public utility. Authorizes a qualifying facility seeking a judicial declaration, interpretation, or enforcement of a contract or legally enforceable obligation

for the qualifying facility to sell energy or energy and capacity to a public utility without first seeking review by the PUC.

-4 Modifies and adds laws related to utilities, including:

- Clean Energy Targets
- Study on Small Scale Renewable Energy Projects
- Customer Supported Renewables
- Responsible Contractor Labor Standards for Customer Supported Renewables
- Non-Pricing Attributes in Resource Procurement Evaluation
- Nonbypassability Of Social and Environmental Costs
- Providing Information About Clean Energy Programs to Customers
- Natural Gas Plants

-5 Modifies and adds laws related to utilities, including:

- Clean Energy Targets, requiring retail electricity providers to meet the following greenhouse gas emissions reduction targets for greenhouse gas emissions below baseline emissions levels: **by 2030, 80 percent, by 2035, 90 percent; and by 2040, 100 percent.**
- Study on Small Scale Renewable Energy Projects
- Customer Supported Renewables
- Providing Information About Clean Energy Programs to Customers and the Public
- Responsible Contractor Labor Standards
- Natural Gas Plants

Takes effect following adjournment sine die.

-6 Requires, by **2025, at least eight percent** of the electrical generation of each electric company that makes 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: 1) small-scale renewable energy projects with a generating capacity of 20 megawatts or less that generate electricity utilizing a type of renewable energy source or 2) facilities that generate electricity using biomass that also generate thermal energy for a secondary purpose.

Authorizes facilities that generate electricity using biomass that also generate thermal energy for a secondary purpose any single facility, regardless of the facility's nameplate capacity, to be used to comply with the eight percent requirement for up to 20 megawatts of **generation**.

-8 Modifies and adds laws related to utilities, including:

- Clean Energy Targets
- Customer Supported Renewables
- Responsible Contractor Labor Standards for Customer Supported Renewables
- Non-Pricing Attributes in Resource Procurement Evaluation
- Providing Information About Clean Energy Programs to Customers
- Natural Gas Plants
- Community-Based Renewable Energy Projects

Requires, by 2030, at least eight percent and by 2035, at least 10 percent of the aggregate electrical generation of 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:

1) Community-based renewable energy projects with a generating capacity of 20 megawatts or less that generate electricity utilizing a type of renewable energy source or

2) facilities that generate electricity using biomass, generate thermal energy for a secondary purpose, utilize refuse from timber or agriculture as a feedstock, provide direct community benefit through cogeneration, job creation, or economic development and do not create substantial harm to environmental justice communities, produce emissions considered equal to or lower than the greenhouse gas emissions that would have resulted had a comparable quantity and character of biofuel been treated or disposed of in a prevailing manner; and maintain up-to-date maximum available control technology.

-9 Authorizes a public entity or federally recognized Oregon Indian tribe, partnering with a nonprofit entity, private business, or an owner of rental property in this state, to submit to the State Department of Energy (ODOE) an application drafted with electric utilities that have customers in the communities covered by a community renewable energy project for grant moneys from the Community Renewables Investment Fund established for the purpose of planning or creating community renewable energy projects. Requires an **application for planning a community renewable energy project** to demonstrate that the planning: 1) is for a project located in this state but outside the City of Portland; 2) will be completed within six months; 3) will result in a proposal for creating a community renewable energy project; and 4) incorporates feedback from members of environmental justice communities covered by the community renewable energy project, businesses located in the communities covered by the community renewable energy project, electric utilities that have customers in the communities covered by the community renewable energy project, and other regional stakeholders. Requires an application for creating a community renewable energy project to demonstrate that the project: 1) is located in this state but outside the City of Portland; 2) will be completed within 18 months; 3) results in increased community energy resilience, local jobs, economic development, or direct energy cost savings to families and small businesses; 4) complies with applicable state and local laws and regulations and has the required licenses and permits; 5) does not exceed 20 megawatts of nameplate capacity, if the project is for generating renewable energy; and 6) will operate for at least five years, if the project is for producing electricity, or for at least a period of time established by the Director of ODOE (Director) by rule. Requires ODOE, upon receipt of an application for creating a community renewable energy project to review and determine whether the applicant is eligible to receive a grant from the Community Renewables Investment Fund. Authorizes ODOE to approve an application if DOE finds that the project meets certain requirements, standards, and is technically feasible. Requires ODOE, in approving applications and awarding grant moneys, to **prioritize planning and project proposals** that: 1) include community renewable energy projects; 2) increase energy efficiency or result in demands response aggregate improvements; 3) are for projects located in a geographic area that is identified by the department as being at high risk for natural disasters, economically disadvantaged, or socially vulnerable; 4) when applicable, are for projects constructed in part or in whole by disadvantaged business enterprises, emerging small businesses, or businesses that are owned by minorities, women, or disabled veterans; 4) include inclusive hiring and promotion policies for workers; and 5) incorporate equity metrics developed in coordination with the Environmental Justice Task Force established for evaluating the involvement of and leadership by people of low income, Black, Indigenous, or People of Color, people with disabilities, youth, people from rural communities, and people from otherwise disadvantaged communities in the siting, planning, designing, or evaluating of the proposed renewable energy systems. Authorizes that up to 50 percent of all moneys available for providing grants in the Community Renewable Investment Fund on July 1 of each fiscal year be reserved for grants to applicants that primarily serve low-income households or communities. Authorizes ODOE to award additional grant moneys to applicants that primarily serve low-income households or communities if there are moneys in the Community Renewable Investment Fund that have been reserved but have not been awarded because there is an insufficient number of applicants that primarily serve low-income households or communities. Requires ODOE to adopt rules, in consultation with Business Oregon, that: 1) define eligible planning costs to be covered by a grant; 2) create a community centered process for identifying what specific structures or facilities are involved with delivering

essential services and provide maximum benefit if supported by a community energy resilience project; 3) incorporate existing designations under state and federal law of critical infrastructure or essential buildings for the purpose of identifying structures or facilities essential to the public welfare during an emergency; and 4) are consistent with state and federal guidance. Requires a performance agreement for planning a community renewable energy project entered into between the ODOE and an applicant to provide, at a minimum the types of costs, prohibited uses of grant moneys, and recovery of grant moneys. Requires a **performance agreement** for creating a community renewable energy project entered into between the ODOE and an applicant to provide, at a minimum: 1) a grant that covers no more than \$1 million for a given renewable energy system and no more than 35 percent of the total costs associated with the project, except the grant amount will be reduced if the grant combined with other government incentives and grants received by the applicant exceeds 75 percent of the total costs associated with the project; 2) the department may release no more that 30 percent of the grant moneys awarded upon entering into a performance agreement for creating a community renewable energy project with the remaining grant moneys to be released upon the department’s verifying the completion of the project and if the applicant demonstrates having met certain requirements; and 3) the department may recover grant moneys if a project fails to abide by the performance agreement or if construction is not completed within 18 months from the date the performance agreement is signed. Authorizes the Director to appoint an **Advisory Committee on Community Renewables Investment**, consisting of eight representatives of various entities. Establishes and provides grants for community renewable energy projects from the **Community Renewables Investment Fund**. Establishes that moneys in the fund are continuously appropriated to the ODOE for the purpose of providing grants and that the fund consists of: moneys appropriated or otherwise transferred to the fund by the Legislative Assembly; moneys received from federal, state, or local sources; gifts, grants, or other moneys contributed to the fund; and other amounts deposited in the fund from any source. Requires Director to submit biennial report to the Legislative Assembly regarding the expenditures of moneys deposited in the Community Renewables Investment Fund and status of ongoing projects funded by the moneys. **Appropriates** the amount of \$50,000,000 out of the General Fund, in addition to and not in lieu of any other appropriations, to the Community Renewables Investment Fund, for the biennium beginning July 1, 2021. Takes effect following adjournment sine die.

**Renewable Portfolio Standard**

**Direct Energy Resiliency or Environmental Benefits**

-10 Establishes goal of planning for development of three gigawatts of commercial scale floating offshore wind energy projects within federal waters off Oregon coast by 2030. Requires electric companies to plan for and pursue cost-effective energy or energy and capacity delivered directly or indirectly from floating offshore wind energy facilities or renewable hydrogen production facilities powered by floating offshore wind energy. Requires State Department of Fish and Wildlife to adopt program for assisting members of commercial and sport ocean fishing industries with avoiding conflicts with floating offshore wind energy facilities. Requires department to establish and implement offshore energy development fisheries loss compensation program. Establishes Offshore Energy Development Fisheries Loss Compensation Fund. Continuously appropriates moneys in fund to department implement programs. Declares state policy position related to federal planning or permitting process for offshore energy research and development in federal waters off Oregon coast.

**Community-Based Renewable Energy**

Makes certain modifications to renewable portfolio standards. Modifies community-based renewable energy standard. Establishes that the large utility renewable portfolio standard imposes the following **qualifying electricity 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:

- 1) **at least 20 percent** of the electricity sold in each of the calendar years **2020 and 2021**;

2) **at least 25 percent** of the electricity sold in **2025**; and

3) from 2026 onward, increase by a constant amount to achieve **at least 85 percent** of the electricity sold by **2045**.

#### **Direct energy resiliency or environmental benefits**

Requires, by calendar year **2025, at least eight percent** and, **by 2045, at least 28 percent** of the electricity sold in this state by each electric company that makes sales of electricity to 25,000 or more retail electricity consumers in this state to be composed of electricity generated specific sources, including but not limited to small-scale renewable energy projects that are interconnected with the transmission system owned or managed by the electric company at a voltage of 115 kilovolts or less, small modular reactors, or small power production facilities that meet certain criteria.

#### **Small Modular Reactors**

Exempts small modular reactors from certain siting restrictions that apply to nuclear-fueled thermal power plants. Requires small modular reactors to be sited in city or county where electors of city or county have approved small modular reactors being located in city or county. Requires emergency planning zones for small modular reactors to be located in county where electors of county have approved small modular reactors being located in county. Requires proposed disposal of high-level radioactive waste by small modular reactor to comport with process approved or adopted by United States Nuclear Regulatory Commission.

-11 Modifies and adds laws related to utilities, including:

- Siting Criteria: 50 Percent for Direct Energy Resiliency Or Environmental Benefits
- Community-Based Renewable Energy
- Integrated Clean Energy Implementation Planning
- Clean Energy Storage
- Utility Regulation Generally
- Cogeneration and Small Power Production Facilities
- Responsible Labor Standards
- Renewable Portfolio Standards

-21 Modifies and adds laws related to utilities, including:

- Clean energy targets;
- Study on small scale renewable energy projects;
- Customer supported renewables;
- Providing information about clean energy programs to customers and the public;
- Responsible contractor labor standards; and
- Natural gas plants.

Takes effect following adjournment sine die.

-22 Creates an exclusion for an electric company that serves electricity to 25,000 or fewer retail electricity consumers.

#### **Clean energy targets**

-23 Establishes as state policy that electricity supplied to retail electricity consumers 1) produces zero greenhouse gas emissions; and 2) is generated in a manner that provides additional direct benefits to communities in this state in the forms of creating and sustaining meaningful living wage jobs, promoting workforce equity, and increasing energy security and resiliency. Requires retail electricity providers to reduce annual greenhouse gas emissions by **80 percent below baseline emissions level by 2030**, by **90 percent below baseline emissions level by 2035** and **100 percent below baseline emissions level by 2040**.



Requires retail electricity providers to create a **clean energy plan** to the Public Utility Commission (PUC) and to the Department of Environmental Quality (DEQ). Requires the clean energy plan to include annual goals for meeting clean energy targets, demonstrate the electric company is making continual progress within the planning period towards meeting the clean energy targets, and result in an affordable, reliable and clean electric system. Authorizes clean energy plan's proposed actions and investments to include the development or acquisition of clean energy resources, acquisition of energy efficiency and demand response, development of new transmission and other supporting infrastructure, retirement of existing generating facilities, short and long duration energy storage, changes in system operation, and any other necessary action. Requires PUC to ensure that an electric company demonstrates continual progress and is taking actions as soon as practicable that facilitate rapid reduction of greenhouse gas emissions at reasonable costs to retail electricity consumers.

Requires DEQ to determine each electric company's **baseline emissions level** and, for each retail electricity provider, the amount of emissions reduction necessary to meet the established clean energy targets in the state policy. Requires the DEQ to report retail electricity providers' baseline emissions level to the PUC. Requires the PUC to acknowledge clean energy plans if PUC finds the plan to be in the public interest and consistent with the clean energy targets. Requires the PUC evaluate the plan's 1) related environmental or health benefits; 2) feasibility; 3) impacts on reliability and resiliency of electric system; 4) availability of federal policy incentives; and other relevant factors. Requires retail electricity provider to report greenhouse gas emissions associated with electricity sold for the current and following three years, annual goals, including a projected reduction of annual greenhouse gas emissions, and other information to demonstrate the electricity service supplier's anticipated ability to meet the clean energy targets. Requires the PUC to consider **unexpected greenhouse gas emissions** when determining whether a retail electricity provider has complied with clean energy targets in the policy.

Requires an electric company that files a clean energy plan to convene a **Community Benefits and Impacts Advisory Group** with members determined by the electric company with input from stakeholders that represent the interests of customers or affected entities within the electric company's service territory, including representatives of environmental justice communities and low-income ratepayers and may include representatives from other affected entities within the electric company's service territory. Requires an electric company, in consultation with the Community Benefits and Impacts Advisory Group, to develop a biennial report that assesses the community benefits and impacts of the electric company and shall file the biennial report with the PUC Commission. Requires biennial report to include a description of the: 1) energy burden and disconnections for residential customers and disconnections for small commercial customers; 2) opportunities to increase contracting with businesses owned by women, veterans, or Black, Indigenous, or People of Color; 3) actions within environmental justice communities within the electric company's service territory intended to improve resilience during adverse conditions or facilitate investments in the distribution system, including investments in facilities that generate non-emitting electricity; 4) distribution of infrastructure or grid investments and upgrades in environmental justice communities in the electric company's service territory; 5) social, economic or environmental justice co-benefits that result from the electric company's investments, contracts, or internal practices; 6) customer experience, including a review of annual customer satisfaction surveys; 7) actions to encourage customer engagement; and 8) other items. Requires PUC to establish a process for an electric company to contemporaneously recover the cost associated with the development of biennial reports and the costs associated with compensation or reimbursement for time and travel of members of a Community Benefits and Impacts Advisory Group. Requires electricity to have the emission **attributes of the underlying generating resource** or resources.

Requires PUC to take into consideration, in determining whether a retail electricity provider has complied with the clean energy targets, unplanned emissions in excess of the amount projected in the development of an

electric company's clean energy plan or the information provided by an electricity service supplier to the extent that certain conditions are met. Requires greenhouse gas emissions associated with electricity acquired from net metering of customer resources, a community solar project, or a qualifying facility under the terms of the Public Utility Regulatory Policies Act to be excluded from the determination of the retail electricity provider's total greenhouse gas emissions. Requires electricity purchased from the Bonneville Power Administration for delivery to retail electricity consumers, for purposes of determining whether a retail electricity provider has complied with the clean energy targets, to be deemed to have the Bonneville Power Administration asset controlling supplier emission factor reported to DEQ. Requires PUC to initiate a process, within a certain time period, for an electric company to update the avoided costs calculated for a qualifying facility to ensure avoided costs accurately reflect the characteristics of generators that contribute to compliance of clean energy targets.

Authorizes PUC, or at the request of an electric company, to open an investigation to determine whether to **grant a temporary exemption** to an electric company's compliance with one or more of the requirements of the clean energy targets, if certain criteria are met. Requires PUC, after an investigation, to 1) issue an order exempting the electric company from one a clean energy plan for a length of time sufficient to allow the electric company to achieve full compliance and imposing a penalty if applicable; 2) direct the electric company to take specific actions to remedy the potential issue or issues identified in the order; and 3) direct the electric company to file within six months from the date the order is issued, or within a length of time determined by PUC to be reasonable, a report on the company's progress toward achieving full compliance of a clean energy plan. Authorizes PIC to grant an electric company or electricity service supplier a temporary exemption that is comparable to a temporary exemption granted to another electric company or electricity service supplier without conducting a separate investigation if the commission determines that the conditions that resulted in the granted temporary exemption holds for the electric company or electricity service supplier.

Requires PUC, upon determining that an investment or cost of an electric company contributes to compliance with this act, to determine the **actual or anticipated rate impact** for the investment or cost on the same basis and with the same treatment for similarly situated investments or costs in the most recently approved general rate case or other relevant rate making proceeding. Requires PUC to use the actual or anticipated rate impact of each investment or cost to calculate the cumulative rate impact and make adjustments or consider alternative rates, if necessary. Authorizes PUC to apply a **performance incentive** for early compliance with one or more of the clean energy targets. Establishes that the clean energy targets in the policy do not modify the requirements of Renewable Portfolio Standards. Authorizes PUC to adopt rules to implement clean energy targets. Authorizes DEQ to periodically review and update its calculation of the greenhouse gas emissions rates assigned to unspecified power purchases and purchases of power dispatched by centralized market operators to reflect the current resource mix and associated emissions of such purchases. Requires DEQ to ensure that the calculation of emissions rates takes into account the potential for the energy imbalance market and other centralized market operations across a wide geographic area to increase the availability of non-emitting resources to serve load in the state. Repeals temporary exemption for purposes of meeting reliability standards of North American Electric Reliability Corporation (ORS 269A.062).

#### **Study on small-scale renewable energy projects**

Requires State Department of Energy (ODOE) to convene a work group comprised of various stakeholders to examine potential barriers and opportunities to encourage development of small-scale renewable energy projects in this state that contribute to economic development and local energy resiliency. Requires ODOE to report on current status and trends for small-scale and community-based renewable energy development in this state and may include recommendations to an interim committee of the Legislative Assembly related to energy no later than September 30, 2022. Repeals requirement for small-scale and community-based renewable energy development report on December 15, 2022.

### Customer-supported renewables

Requires electric companies to provide each retail electricity consumer that is connected to its distribution system and whose electricity demand at any point of delivery is less than 30 kilowatts a **portfolio of rate options**. Requires PUC to reasonably ensure that the costs, risks and benefits of serving each option are reflected in the rates for each option, and such rates may include a monthly flat rate or charge in addition to usage. Authorizes PUC to prohibit or otherwise limit the use of a cost-of-service rate by retail electricity consumers who have been served through direct access and to limit switching among the portfolio of rate options and the cost-of-service rate. Authorizes electric companies to file a program of rates or charges that reflect the cost of an electric company program to serve retail electricity consumers within the boundaries of those governments with electricity: 1) derived from new or existing renewable energy resources or non-emitting resources; or 2) paired with unbundled renewable energy certificates, from new or existing renewable energy resources. Authorizes PUC to approve a rate or charge under certain circumstances. Authorizes an electric company serving fewer than 25,000 customers in this state to propose a program for approval by the commission if the program meets certain criteria. Requires duties, functions and powers of the PUC to include developing policies to eliminate barriers to the development of a competitive retail market between electricity service suppliers and electric companies. Requires the commission to ensure that policies developed to mitigate the vertical and horizontal market power of incumbent electric companies do not limit or delay electric companies from offering programs or services or making prudent investments in furtherance of the clean energy targets or that otherwise aid in reducing statewide emissions of greenhouse gases consistent with state policies.

#### Providing information about clean energy programs to customers

Requires PUC to require electricity service suppliers to publicly disclose a summary of the aggregated energy supply mix and associated emissions of the power sources that serve the direct access retail electricity consumers of the electricity service supplier, or such other aggregated information comparable to information provided by electric companies to retail electricity consumers as the commission may require.

#### Responsible Contractor Labor Standards

Requires a person who constructs or repowers a large-scale project sited in Oregon to, at the time of contract finalization for development of the project or execution of a contract for delivery of energy from the project, provide a signed attestation or declaration stating to the best of their knowledge and belief that during all periods of construction all contractors and subcontractors working on the construction or repowering project will: 1) participate in an **apprenticeship program** registered with the State Apprenticeship and Training Council; 2) establish and execute a plan for **outreach, recruitment and retention** of certain workers to perform work under the contract, with a target of having at least 15 percent of total work hours performed by those workers; 3) have policies in place that are designed to **limit or prevent workplace harassment and discrimination**, among other policies relating to promoting workplace diversity, equity, and inclusion for certain groups; 4) providing documented and verifiable information demonstrating good faith with meeting the requirements; 5) maintain a license and good standing to perform the work and remain eligible to receive a contract or subcontract for public works; 6) materially demonstrate a history of material compliance with the rules and other requirements of state agencies with oversight regarding workers' compensation, building codes, and occupational safety and health; 7) materially demonstrate a history of compliance with federal and state wage and hour laws; and 8) provide quarterly reporting and recordkeeping to the project owner or electric utility and respond to records requests and verification. Requires a person constructing or repowering a large-scale project with a capacity rating of 10 megawatts or greater—finalized or executed on or after the effective date of this act—to require all contractors and subcontractors working on the construction or repowering project to: 1) pay the area wage standard for an hour's work in the same trade or occupation in the locality where the labor is performed; 2) offer health care and retirement benefits to the employees performing the labor on the project; 3) provide quarterly reporting and

recordkeeping to the project owner or electric utility and respond to records requests and verification; and 4) provide the attestation or declaration and good faith effort to ODOE within 30 days from the date construction begins and provide notice of such delivery to the purchaser of the project or of the energy from the project or provide a copy of a project labor agreement.

#### Natural gas plants

Prohibits Energy Facility Siting Council from issuing a site certificate for a generating facility, with some exceptions, that produces electric power from fossil fuels, including natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from such material.

#### Community renewable energy project grant program

Authorizes a public entity or federally recognized Oregon Indian tribe, partnering with a nonprofit entity, private business, or an owner of rental property in this state, to submit to ODOE an application drafted with electric utilities that have customers in the communities covered by a **community renewable energy project for grant moneys** from the Community Renewables Investment Fund established for the purpose of planning or creating community renewable energy projects. Requires an application for planning a community renewable energy project to demonstrate that the planning: 1) is for a project located in this state but outside the City of Portland; 2) will be completed within six months; 3) will result in a proposal for creating a community renewable energy project; and 4) incorporates feedback from members of environmental justice communities covered by the community renewable energy project, businesses located in the communities covered by the community renewable energy project, electric utilities that have customers in the communities covered by the community renewable energy project, and other regional stakeholders.

Requires an application for creating a community renewable energy project to demonstrate that the project: 1) is located in this state but outside the City of Portland; 2) will be completed within 18 months; 3) results in increased community energy resilience, local jobs, economic development, or direct energy cost savings to families and small businesses; 4) complies with applicable state and local laws and regulations and has the required licenses and permits; 5) does not exceed 20 megawatts of nameplate capacity, if the project is for generating renewable energy; and 6) will operate for at least five years, if the project is for producing electricity, or for at least a period of time established by the Director of ODOE (Director) by rule. Requires ODOE, upon receipt of an application for creating a community renewable energy project to review and determine whether the applicant is eligible to receive a grant from the Community Renewables Investment Fund. Authorizes **ODOE to approve an application** if DOE finds that the project meets certain requirements, standards, and is technically feasible. Requires ODOE, in approving applications and awarding grant moneys, to prioritize planning and project proposals that: 1) include community renewable energy projects; 2) increase energy efficiency or result in demands response aggregate improvements; 3) are for projects located in a geographic area that is identified by the department as being at high risk for natural disasters, economically disadvantaged, or socially vulnerable; 4) when applicable, are for projects constructed in part or in whole by disadvantaged business enterprises, emerging small businesses, or businesses that are owned by minorities, women, or disabled veterans; 4) include inclusive hiring and promotion policies for workers; and 5) incorporate equity metrics developed in coordination with the Environmental Justice Task Force established for evaluating the involvement of and leadership by people of low income, Black, Indigenous, or People of Color, people with disabilities, youth, people from rural communities, and people from otherwise disadvantaged communities in the siting, planning, designing, or evaluating of the proposed renewable energy systems. Authorizes that up to 50 percent of all moneys available for providing grants in the Community Renewable Investment Fund on July 1 of each fiscal year be reserved for grants to applicants that primarily serve low-income households or communities. Authorizes ODOE to award additional grant moneys to applicants that primarily serve low-income households or communities if there are moneys in the Community Renewable Investment Fund that have been reserved but have not been awarded because there is an insufficient number of

applicants that primarily serve low-income households or communities.

Requires **ODOE to adopt rules**, in consultation with Business Oregon, that: 1) define eligible planning costs to be covered by a grant; 2) create a community centered process for identifying what specific structures or facilities are involved with delivering essential services and provide maximum benefit if supported by a community energy resilience project; 3) incorporate existing designations under state and federal law of critical infrastructure or essential buildings for the purpose of identifying structures or facilities essential to the public welfare during an emergency; and 4) are consistent with state and federal guidance.

Requires a **performance agreement for planning a community renewable energy project** entered into between the ODOE and an applicant to provide, at a minimum the types of costs, prohibited uses of grant moneys, and recovery of grant moneys. Requires a performance agreement for creating a community renewable energy project entered into between the ODOE and an applicant to provide, at a minimum: 1) a grant that covers no more than \$1 million for a given renewable energy system and no more than 35 percent of the total costs associated with the project, except the grant amount will be reduced if the grant combined with other government incentives and grants received by the applicant exceeds 75 percent of the total costs associated with the project; 2) the department may release no more that 30 percent of the grant moneys awarded upon entering into a performance agreement for creating a community renewable energy project with the remaining grant moneys to be released upon the department's verifying the completion of the project and if the applicant demonstrates having met certain requirements; and 3) the department may recover grant moneys if a project fails to abide by the performance agreement or if construction is not completed within 18 months from the date the performance agreement is signed.

Authorizes the Director to appoint an **Advisory Committee on Community Renewables Investment**, consisting of eight representatives of various entities. Establishes and provides grants for community renewable energy projects from the **Community Renewables Investment Fund**. Establishes that moneys in the fund are continuously appropriated to the ODOE for the purpose of providing grants and that the fund consists of: moneys appropriated or otherwise transferred to the fund by the Legislative Assembly; moneys received from federal, state, or local sources; gifts, grants, or other moneys contributed to the fund; and other amounts deposited in the fund from any source. Requires Director to **submit biennial report** to the Legislative Assembly regarding the expenditures of moneys deposited in the Community Renewables Investment Fund and status of ongoing projects funded by the moneys. **Appropriates the amount of \$50,000,000** out of the General Fund, in addition to and not in lieu of any other appropriations, to the Community Renewables Investment Fund, for the biennium beginning July 1, 2021. Establishes that grants for community renewable energy projects and related performance agreements become operative on January 1, 2022.

Takes effect following adjournment sine die.

- *FISCAL: May have fiscal impact, but no statement issued yet*
- *REVENUE: May have revenue impact, but no statement issued yet*

#### **BACKGROUND:**

Clean energy policies support the development and implementation of renewable energy projects, often with the dual goals of replacing fossil fuel resources and reducing greenhouse gas emissions. As recently as 2019, 11 states and territories and approximately 200 local jurisdictions have made commitments to 100 percent clean energy

policies in the United States. The Oregon Legislature has taken significant steps to invest in the deployment of renewable energy resources in the state. Since 1977, the Legislature has passed a number of energy-related bills promoting the development of local renewable resources.

House Bill 2021 would direct the Public Utility Commission to conduct a study of laws related to clean energy and provide the results of the study in a report to the interim committees of the Legislative Assembly.

**HB 2143 -4 STAFF MEASURE SUMMARY**  
**House Committee On Energy and Environment**

**Prepared By:** Erin Pischke, LPRO Analyst

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

**Meeting Dates:** 3/31, 4/12

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**WHAT THE MEASURE DOES:**

Changes annual fee for hydroelectric projects producing more than 123.5 theoretical horsepower to a base rate of \$0.687 per theoretical horsepower. Requires the Water Resources Commission to annually adjust the fee based on the specified Consumer Price Index. Changes annual fee to \$50 for hydroelectric projects producing 15 or more theoretical horsepower but not more than 123.5 theoretical horsepower. Establishes an annual fee of \$15 for hydroelectric projects producing less than 15 theoretical horsepower. Changes annual relicensing and reauthorization fee for claimants other than a license holder to match annual fee for other hydroelectric projects. Changes timing requirement to at least once every eight years for appointment of panel to review fee amount. Repeals current reauthorization fee statute. Takes effect on 91<sup>st</sup> day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

-4 Removes the requirement that the annual fee shall be adjusted annually for inflation according to rules established by the Water Resources Commission. Requires the Water Resources Commission to annually adjust the fee based on the specified Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor, using a base date of January 1, 2021. Establishes that: 1) the amount of theoretical horsepower upon which the fees are paid must be computed by multiplying the maximum amount of water appropriated, expressed in cubic feet per second, by the average total fall utilized, expressed in feet, and dividing the number resulting from the multiplication by 8.8; and 2) for a project that diverts water from a point on a river that forms a border with another state, the fee computation may not use as the maximum amount of water appropriated more than half of the capacity of the project. Requires a holder of a hydroelectric project to pay \$0.48 per theoretical horsepower for a project producing more than 123.5 theoretical horsepower if: 1) the project is not exempt from relicensing under statutes relating to reauthorizing and decommissioning hydroelectric projects (ORS chapter 543A); and 2) the holder has not received either a final order that approves an application for reauthorization of a water right or license or a new license issued by the Federal Energy Regulatory Commission on or after the effective date of this Act to replace an original license issued by the commission. Repeals fee of \$0.48 per theoretical horsepower for a project producing more than 123.5 theoretical horsepower on December 31, 2023.

**BACKGROUND:**

Hydroelectric project operators in Oregon are required to pay annual fees on each project based on the theoretical horsepower of each project. The fees are deposited into the Water Resources Department Hydroelectric Fund, from which proportions of the fees are used to pay certain hydroelectric program costs accrued by the Oregon Department of Environmental Quality, the Water Resources Commission, and the Water Resources Department. House Bill 2143 would change the annual fees for hydroelectric projects that produce certain theoretical horsepower. The bill would require the Water Resources Commission to annually adjust the fee based on the specified Consumer Price Index. The bill would change the annual relicensing and reauthorization fees to match annual fees for other hydroelectric projects and would revise the fee structure for annual hydroelectric project fees.

**HB 2398 -1, -4, -5, -7, -8, -10, -11, -12, -14 STAFF MEASURE  
SUMMARY**

**House Committee On Energy and Environment**

**Prepared By:** Erin Pischke, LPRO Analyst

**Meeting Dates:** 2/17, 3/1, 3/31

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**WHAT THE MEASURE DOES:**

Requires Director of Department of Consumer and Business Services (director) to ensure that Reach Code energy efficiency standards mandate achievement of not more than 90 percent of site energy use that other statewide residential and commercial building codes require. Requires director to update the Reach Code every three years. Requires director to analyze how the amendments to the Reach Code will meet state statutory greenhouse gas reduction goals for buildings. Permits municipality to adopt Reach Code and require adherence to code as minimum construction standard and method within municipality's jurisdiction. Stipulates that adherence to the Reach Code as a minimum construction standard and method within a county's jurisdiction does not apply within the jurisdiction of a city within the county that has not adopted the Reach Code.

**ISSUES DISCUSSED:**

- Potential unintended consequences of meeting building codes
- Cost of building materials
- Impact of Reach Code on homeowners

**EFFECT OF AMENDMENT:**

-1 Removes the requirement that adherence to the Reach Code as a minimum construction standard and method within a county's jurisdiction does not apply within the jurisdiction of a city within the county that has not adopted the Reach Code.

-4 Requires municipalities that adopt the Reach Code and require adherence to the Reach Code as a minimum construction standard and method to subject measurement of energy efficiency savings and related incentives to the requirements of statewide residential and commercial codes.

-5 Requires Director of Department of Consumer and Business Services (director) to engage the University of Oregon (university) to analyze and compare, using nationally accepted methods and practices, state building code standards for energy use and energy efficiency to similar building code standards in other states. Requires analysis to quantify building energy efficiency and compare results to other states. Requires the university to identify and list materials and construction methods that enable energy efficiency increases. Requires director to engage a research institution to develop an energy efficiency cost-analysis tool. Repeals requirements for study and cost-analysis tool development on January 1, 2024.

-7 Requires Director of Department of Consumer and Business Services (director) when adopting or amending the Reach Code, in consultation with the appropriate advisory boards, to follow the process the director followed in developing the residential and commercial building codes.

-8 Requires Director of Department of Consumer and Business Services (director) to produce a source-based analysis of how the Reach Code will enable the state to make progress toward meeting greenhouse gas reduction goals for buildings in the context of economy-wide greenhouse gas reduction goals. Requires director to base analysis on data specific for this state's electricity and natural gas grids and update the analysis to account for changes in each grid.



-10 Requires Director of Department of Consumer and Business Services (director) to engage the University of Oregon (university) to analyze and compare, using nationally accepted methods and practices, state building code standards for energy use and energy efficiency to similar building code standards in other states, with a focus on states that are within the marine and cold climate zones. Requires analysis to quantify building energy efficiency and compare results to other states. Requires university to identify materials and construction methods capable of increasing energy efficiency in affordable single-family dwellings, multifamily apartment buildings, food service and related structures, and publicly or privately owned commercial buildings of certain sizes and capacities. Requires director to engage a research institution to develop an energy efficiency cost-analysis tool. Repeals requirements for study and cost-analysis tool development on January 1, 2024.

-11 Requires Director of Department of Consumer and Business Services (director), in consultation with the appropriate advisory boards, to adopt the residential provisions of the Reach Code at the same time the director adopts a corresponding residential specialty code, and adopt the commercial provisions of the Reach Code at the same time the director adopts a structural specialty code. Stipulates that if a municipality adopts the Reach Code and requires adherence to it as a minimum construction standard and method, measurement of energy efficiency savings and related incentives must remain subject to the requirements of statewide residential and commercial codes.

-12 Requires Director of Department of Consumer and Business Services (director) to engage the University of Oregon (university) to analyze and compare, using nationally accepted methods and practices, state building code standards for energy use and energy efficiency to similar building code standards in other states, with a focus on states that are within the marine and cold climate zones. Requires state building code standards for energy use and energy efficiency analysis to quantify building energy efficiency and compare results to other states. Requires the university to identify materials and construction methods capable of increasing energy efficiency in structures of certain sizes and capacities, including: 1) affordable single-family dwellings; 2) multifamily apartment buildings; 3) food service and related structures; 4) publicly or privately owned commercial buildings; and 4) schools, school buildings or other school facilities. Requires director to engage a research institution to develop an energy efficiency cost analysis tool. Repeals requirements for state building code standards for energy use and energy efficiency study and cost analysis tool development on January 1, 2024.

-14 Requires Director of Department of Consumer and Business Services (director) with the approval of the appropriate advisory boards, to adopt, amend, and administer the Reach Code as part of the state building code. Requires Reach Code to be a set of statewide construction standards and methods that are economically and technically feasible. Requires director, with the approval of the appropriate advisory boards, to follow the same process the director follows in developing the residential and commercial building codes to: 1) ensure that standards for energy efficiency in the statewide Reach Code mandate achievement of not more than 90 percent of site energy use that other statewide residential and commercial building codes require; 2) adopt the Reach Code no later than October 31, 2021; and 3) adopt the residential provisions of the Reach Code at the same time the director adopts a corresponding residential specialty code and adopt the commercial portions of the Reach Code at the same time the director adopts a structural specialty code. Authorizes municipality to adopt the Reach Code and does not require director to review or approve the adoption. Requires municipalities that adopt the Reach Code and require adherence to the Reach Code as a minimum construction standard and method to subject measurement of energy efficiency savings and related incentives to the requirements of statewide residential and commercial codes. Removes requirement that when amending the state building code, the director consider whether any of the standards and methods contained in the Reach Code should be removed from the Reach Code and adopted in the state building code. Declares emergency, takes effect July 1, 2021.

- *Waiting for fiscal impact statement*

- *No revenue impact*

**BACKGROUND:**

According to the U.S. Department of Energy, Oregon's first energy conservation requirements were developed in 1975 and were limited to residential buildings. This code was upgraded in 1978 and again in 1980 to reflect the new editions of the ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) standards. Since 1980, the residential energy conservation requirements have been amended on a three-year cycle in sequence with the Oregon One- and Two-Family Dwelling Specialty Code. Previous energy conservation requirements became effective on April 1, 2003. New energy conservation requirements for residential buildings became effective April 1, 2005. The energy conservation requirements for commercial buildings were developed in 1978 and upgraded in 1980. Since 1980, the energy conservation requirements have been upgraded in sequence with the Oregon Structural Specialty Code. Previous energy conservation requirements became effective on October 1, 2003. New energy conservation requirements for commercial buildings were adopted and became effective on October 1, 2005. Effective April 1, 2007, non-residential buildings are subject to the 2007 Oregon Structural Specialty Code (OSSC).

House Bill 2398 would require the Director of the Department of Consumer and Business Services (director) to ensure that standards for energy efficiency in the statewide Reach Code mandate achievement of not more than 90 percent of site energy use that other statewide residential and commercial building codes require. The bill would require the director to update the Reach Code every three years and would also require the director to analyze how the amendments to the Reach Code will meet state statutory greenhouse gas reduction goals for buildings.

## **HB 2488 -2, -3, -7 STAFF MEASURE SUMMARY**

### **House Committee On Energy and Environment**

**Prepared By:** Erin Pischke, LPRO Analyst

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

**Meeting Dates:** 3/8, 3/29, 4/12

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#### **WHAT THE MEASURE DOES:**

Requires Land Conservation and Development Commission (LCDC) to make changes to statewide land use planning goals by December 31, 2026, to address climate justice by addressing climate change adaptation and mitigation and environmental justice for disadvantaged communities. Requires LCDC to: 1) establish and update measurable targets for climate change mitigation and adaptation, and greenhouse gas sequestration and storage; and 2) identify and map anticipated impacts to public resources and local communities from climate change. Requires LCDC to include requirements or guidelines compelling local governments and applicable state agencies to: 1) include disadvantaged communities in land use planning and decisions; 2) determine and address local issues of diversity, equality, and environmental justice; and 3) identify and map disadvantaged communities and cumulative health risks they face, using data from various federal or state agencies, nonprofit organizations, and local programs. Requires that cities' and counties' comprehensive plans, land use regulations, plans, and zoning ordinances rules comply with changes to the statewide land use planning goals by a certain date. Requires Department of Land Conservation and Development (DLCD) to establish environmental justice advisory committee to advise the department on environmental justice changes to the statewide land use planning goals. Requires LCDC to adopt interim climate justice standards for local government's use, including environmental justice, equity, and public participation and climate adaptation risks and responses, and take into consideration state and federal goals for reducing greenhouse gases, until meeting compliance with goals changes. Establishes deadlines for compliance with interim standards and changed goals. Establishes Climate Justice Planning Goals Fund. Appropriates moneys to fund. Continuously appropriates moneys in fund LCDC for specified purposes. Sunsets interim standards on January 2, 2030. Sunsets goal amendment process after commission certifies adoption of goal. Declares emergency, effective on passage.

#### **ISSUES DISCUSSED:**

#### **EFFECT OF AMENDMENT:**

##### **Climate justice goal**

-2 Requires Land Conservation and Development Commission (LCDC) to include within the goals and guidelines for preparing, adopting, amending, and implementing existing and future comprehensive plans (ORS 197.225), a statewide land use planning goal directing local governments to take actions with respect to climate change and environmental justice and equity. Establishes that, based on a rule, land use regulation, or land use decision that enforces or implements the climate justice goal, compensation in certain circumstances (under ORS 195.305 to 195.336) is not due to any party, and notice is not required to be delivered to any property owner in certain circumstances (under ORS 197.047, 215.503 or 227.186). Allows optional compliance with aspects of the climate justice goal requiring climate change measures for a city with a population of fewer than 4,000 or a county with a population of fewer than 20,000 people. Establishes that the climate justice goal is not enforceable to the extent inconsistent with public health and safety or federal or state law, as determined by LCDC.

##### **Process for adoption of climate justice goal**

## **HB 2488 -2, -3, -7 STAFF MEASURE SUMMARY**

Requires LCDC to adopt a new statewide land use planning goal, relating to climate justice, by: 1) adopting the climate justice goal; 2) requiring the Department of Land Conservation and Development (DLCD) to appoint an advisory committee consisting of a broad, diverse group of stakeholders, including representatives of tribal communities and members who represent disadvantaged groups; 3) holding at least one public hearing in each of the congressional districts in this state; 4) requiring LCDC to present draft goal language to an appropriate committee or interim committee of the Legislative Assembly at least 60 days prior to adopting the climate justice goal; 5) requiring LCDC to hold at least one public hearing regarding the draft goal language before, and separate from, the meeting at which they adopt the climate justice goal; and 6) requiring LCDC to adopt the final climate justice goal on or before June 30, 2023, with the goal becoming effective 30 days after adoption. Exempts local governments from implementing the goal except in certain circumstances.

### **Agency coordination**

Requires all state agencies to assist the Department of Land Conservation and Development and the Land Conservation and Development Commission as necessary in the development and adoption of the statewide land use planning goal relating to climate justice. Requires Department of Environmental Quality, Department of Transportation, State Department of Geology and Mineral Industries and Oregon Health Authority to commit technical and policy expertise and support to the development, adoption, and implementation of the climate justice goal. Authorizes the department and the commission to request assistance of any public or private organization, including federal agencies, other states, and universities, in the development and adoption of the climate justice goal.

### **Implementation**

Establishes that local governments are not required to request acknowledgment of compliance for the local government's comprehensive plan or regional framework plan with the statewide land use planning goal relating to climate justice: 1) until June 30 of 2025 and each following year for cities with a specified population; and 2) at any time for cities with a population of less than 4,000 or counties with a population of less than 20,000, with exceptions. Requires LCDC to grant a single 12-month extension to the compliance schedule upon the request of any local government. Requires each local government to report to the department on the local government's compliance with the climate justice goal following a schedule published by LCDC. Requires the department, in providing technical assistance to local governments for the adoption of amendments to comprehensive plans or regional framework plans to comply with the climate justice goal, to: prioritize those counties and cities with fewer resources and ensure that local technical assistance funding is distributed throughout the regions of the state. Requires the department and relevant state agencies, after adoption of the climate justice goal, to review and update existing coordinating agreements to facilitate implementation of the climate justice goal.

### **Reports**

Requires the Department of Land Conservation and Development to provide a report summarizing the statewide land use planning goal relating to climate justice and the process used to develop the climate justice goal to the office of the Governor, the Oregon Global Warming Commission, and to an appropriate interim committee of the Legislative Assembly no later than November 1, 2023. Requires the department to provide a report no later than September 15, 2027, to an appropriate interim committee of the Legislative Assembly, on the implementation of and compliance with the climate justice goal and to provide recommendations on whether cities with a population of less than 4,000 and counties with a population of less than 20,000 should be required to comply with statewide land use planning goal directing local governments to take actions with respect to climate change and environmental justice and equity.

### **Climate Justice Planning Goal Fund**

## HB 2488 -2, -3, -7 STAFF MEASURE SUMMARY

Establishes the Climate Justice Planning Goal Fund, separate and distinct from the General Fund, consisting of moneys credited to the fund from moneys appropriated or transferred to the fund by the Legislative Assembly or received from the federal government or other grants, gifts, or donations from any source.

### **Sunset**

Repeals the process for adoption of climate justice goal, agency coordination, implementation, and reports on January 2, 2028. Establishment of the climate Justice Planning Goal Fund becomes operative on January 2, 2028. Establishes that the repeal of the process for adoption of climate justice goal, agency coordination, implementation, and reports does not affect a statewide land use planning goal relating to climate justice.

### **Appropriation**

Appropriates to the Land Conservation and Development Commission out of the General Fund, in addition to and not in lieu of any other appropriation, for the biennium beginning July 1, 2021, the amount of \$800,000 for deposit into the Climate Justice Planning Goal Fund.

Declares emergency, effective on passage.

-3 Authorizes any project approved or undertaken by the Department of Land Conservation and Development, Department of State Lands, or Department of Transportation for the mitigation, preservation, restoration, remediation, or stabilization of resources at risk from climate change, including shorelands, beaches, dunes, estuarine resources, and infrastructure and structures built before 1977 or in conformance with statewide land use planning goals related to coastal resources, to use bioengineering practices that incorporate natural materials including trees, plants, logs, rocks, and woody debris.

### **Citizen involvement planning goal**

-7 Requires the Land Conservation and Development Commission (LCDC) to include within the goals and guidelines described in ORS 197.225 a statewide land use planning goal that directs governments to take actions consistent with the following: 1) ensuring that the opportunity to participate in land use planning and decision-making is accessible to disadvantaged groups; 2) incorporating practices to engage the community, including disadvantaged groups, on climate justice, environmental justice and equity in land use planning and decision-making; and 3) utilizing current technologies and mediums to: improve and expand communication between the local government and general public, including disadvantaged groups, and enhance the access to and accessibility of information used in land use planning and decision-making to the general public, including disadvantaged groups.

### **Process for amending goal**

Requires the Land Conservation and Development Commission (LCDC) to amend the statewide land use planning goal relating to citizen involvement and the following (notwithstanding ORS 197.230, 197.235, 197.240 or 197.245):

- Requires Department of Land Conservation and Development (DLCD) to appoint an advisory committee consisting of a broad, diverse group of stakeholders, including representatives of tribal communities and disadvantaged groups;
- Requires DLCD to hold at least one public hearing in each of the congressional districts in this state;
- Requires LCDC to, at least 60 days prior to adopting the amended goal, to present draft goal language to an appropriate committee or interim committee of the Legislative Assembly;
- Requires LCDC to hold at least one public hearing regarding the draft goal language before, and separate from, the meeting at which LCDC adopts the amended goal;
- Requires LCDC to adopt the final amended goal on or before June 30, 2023 and, notwithstanding ORS 197.245, the goal is effective 30 days after adoption;
- Requires LCDC to rename the statewide land use planning goal relating to citizen involvement to reflect, to the greatest extent possible, the broadest and most inclusive public engagement and participation

*This Summary has not been adopted or officially endorsed by action of the committee.*

## HB 2488 -2, -3, -7 STAFF MEASURE SUMMARY

in land use planning and decision-making process by all members of the community, including disadvantaged groups; and

- Authorizes LCDC or DLCD to request the assistance of any state agency, public or private organization, including federal agencies, other states and universities, in the amendment and adoption of the goal.

### **Implementation**

Establishes that, notwithstanding ORS 197.250, a local government of certain size is not required to request acknowledgment of compliance for the local government's comprehensive plan or regional framework plan with the amendment to the statewide land use planning goal adopted under this Act until a specified year under a compliance schedule. Requires LCDC, upon the request of any local government, to grant an extension to the compliance schedule: 1) a single 12-month extension for any local government; and 2) An ongoing extension if the local government has been unable to receive funding to adopt and implement the amended goal. Requires each local government, on a schedule published by LCDC, to report to DLCD on the local government's compliance with the amended goal adopted under this Act. Sunsets process for amending goal and implementation of goal on January 2, 2028, without affecting an amendment to a statewide land use planning goal adopted under this Act.

### **Appropriation**

Appropriates to the Land Conservation and Development Commission the amount of \$800,000 out of the General Fund for the biennium beginning July 1, 2021, in addition to and not in lieu of any other appropriation, to adopt an amendment to the statewide land use planning goal and to facilitate the adoption of the goal by local governments.

### **BACKGROUND:**

Oregon's rapid population growth and development during the 1960s and 1970s prompted concern about the effect growth might have on the environment, natural resources, and the livability of communities. These concerns led to the passage of Senate Bill 100 (1973), which directed that local governments adopt and implement comprehensive plans and revise them periodically in accordance with statewide goals and with the needs and desires of the public. After extensive review and public input, the Land Conservation and Development Commission (LCDC) initially adopted 14 statewide planning goals in 1974 and five additional goals over the next three years. Most of the goals have since been amended but their basic principles remain intact. The goals establish state policies on urban and rural land uses, resource conservation, economic development, affordable housing, urban growth, coastal protection, natural hazards, and citizen involvement. House Bill 2488 would expand the 19 statewide planning goals to amend existing goals or adopt additional goals to support climate change adaptation and mitigation, and environmental justice for disadvantaged communities. The bill would require that cities' and counties' comprehensive plans, land use regulations, plans, and zoning ordinances rules comply with the changes to the statewide land use planning goals by a certain date.

## HB 2495 -1, -2, -4, -5, -6, -7 STAFF MEASURE SUMMARY

### House Committee On Energy and Environment

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**Prepared By:** Erin Pischke, LPRO Analyst

**Meeting Dates:** 2/22, 2/24, 4/12

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#### WHAT THE MEASURE DOES:

Authorizes Oregon Health Authority to include a class of chemicals on the list of high priority chemicals of concern for children's health when used in children's products. Removes the restriction on adding more than five chemicals to the list of high priority chemicals during each three-year revision period. Requires a manufacturer of a children's product sold or offered for sale in this state that contains a chemical or member of a class of chemicals included on the list established to provide a biennial notice containing the brand name and model of the children's product that contains the chemical, in addition to the product category, which becomes operative January 1, 2022. Requires a manufacturer, whose hazard assessment had been approved through inaction of Oregon Health Authority, to resubmit the hazard assessment at the end of a three-year period following the hazard assessment approval. Takes effect on 91st day following adjournment sine die.

#### ISSUES DISCUSSED:

##### EFFECT OF AMENDMENT:

-1 Establishes that the biennial notices containing the brand name, model, and product category of the children's product that contains the chemical apply to notices submitted to the Oregon Health Authority on and after January 31, 2024.

-2 Establishes that the biennial notices containing the brand name, model, and product category of the children's product that contains the chemical apply to notices due to be submitted to the Oregon Health Authority on or after January 31, 2024.

-4 Repeals statutes relating to requirement to remove or substitute high priority chemicals of concern (ORS 431A.260), process for substituting chemicals (431A.263), and process for waiving requirement to remove or substitute chemicals (431A.265).

-5 Authorizes manufacturer to continue to sell or offer for sale in this state the children's product for which the manufacturer submitted a hazard assessment for a period of three years after the date of submission of the hazard assessment if the authority fails to act within 180 days and the hazard assessment is deemed approved. Requires a manufacturer to resubmit the hazard assessment at the end of the three-year period once a hazard assessment approved or deemed approved is valid for a period of three years after the date of submission of the hazard assessment.

-6 Authorizes Oregon Health Authority (OHA) to exclude from the list of high priority chemicals of concern for children's health specific members of the class of chemicals that have a sufficiently reduced toxicity profile and do not share the same hazards as the other members of the class of chemicals, if OHA includes a class of chemicals on the list. Requires a manufacturer of a children's product sold or offered for sale in this state that contains a chemical or member of a class of chemicals included on the list established to provide a biennial notice containing the brand name and model of the children's product that contains the chemical, in addition to the product category, which becomes operative January 31, 2024. Authorizes a manufacturer, if OHA fails to act within 180 days and the hazard assessment is deemed approved, to continue to sell or offer for sale in this state the children's product for which the manufacturer submitted a hazard assessment for a period of three years after the date of submission of the hazard assessment and requires manufacturer resubmit

*This summary has not been adopted or officially endorsed by action of the committee.*

the hazard assessment at the end of the three-year period.

-7 Requires the Oregon Health Authority (OHA) to consider including on the list of high priority chemicals of concern for children's health when used in children's products chemicals that are listed as chemicals of high concern in Washington, Maine, Vermont, or Minnesota. Authorizes OHA to include a class of chemicals on the list and if it does, it may exclude from the list specific members of the class of chemicals that do not share the same hazards as the other members of the class of chemicals. Establishes how chemicals and classes of chemicals are listed, added, or removed from high-priority chemicals list or included in children's products sold in this state. Requires a manufacturer of a children's product sold or offered for sale in this state that contains a chemical or member of a class of chemicals included on the list established to provide a biennial notice containing the brand name and model of the children's product that contains the chemical, in addition to the product category, which becomes operative January 31, 2024. Authorizes a manufacturer, if the Authority fails to act within 180 days and the hazard assessment is deemed approved, to continue to sell or offer for sale in this state the children's product for which the manufacturer submitted a hazard assessment for a period of three years after the date of submission of the hazard assessment and requires manufacturer resubmit the hazard assessment at the end of the three-year period. Takes effect on 91st day following adjournment sine die.

**BACKGROUND:**

Senate Bill 478A (2015) established a list of high priority chemicals for children's health used in children's products, required manufacturers to provide notice including the name, registry number, amount, and function of the chemicals on the list used in the children's product, and required manufacturers to remove or substitute for the chemical under certain circumstances. Similar legislation has been passed in other states, notably Maine's Protect Children's Health and the Environment from Toxic Chemicals in Toys and Children's Products and Washington's Children's Safe Products Act.

House Bill 2495 would revise provisions relating to chemicals in children's products and would become operative January 1, 2022.



**HB 2520 -4 STAFF MEASURE SUMMARY**  
**House Committee On Energy and Environment**

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**Prepared By:** Erin Pischke, LPRO Analyst

**Meeting Dates:** 3/29, 4/12

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**WHAT THE MEASURE DOES:**

Directs the Oregon Land Conservation and Development Commission (LCDC) to update the scope, content, and name of the statewide land use planning goal related to energy conservation. Directs LCDC to include in the update policies and direction regarding the development of renewable energy and authorizes LCDC to consider changes to other related statewide land use planning goals in the process. Requires the update to be completed on or before December 30, 2023. Requires the update to identify adequate and appropriate amounts, types, and locations of land inside and outside of urban growth boundaries (UGBs) to be developed to support renewable energy, and Oregon’s renewable portfolio standards and greenhouse gas emissions reduction goals. Directs LCDC to consider: (1) the Oregon Climate Agenda released by the Governor, dated November 28, 2018; (2) the energy and land use needs of Oregon communities; (3) areas where siting of renewable energy projects could be prioritized over other land uses or coexist with other land uses; (4) the role of efficiency and conservation in meeting energy demand; (5) the role of community solar projects; (6) the adequacy and appropriateness of lands within UGBs; (7) protection of agricultural and forest areas; (8) preservation of fish and wildlife habitat; (9) protection of open spaces and recreational areas; (10) location and proximity of infrastructure needed for renewable energy generation and distribution; and (11) other important economic, environmental, social, and natural items. Establishes an advisory committee of at least 16 members representing state agencies, local governments, federally recognized tribes, renewable energy development, farm and forestry, environmental interests, electric utilities, and energy conservation to assist LCDC in the update. Directs state agencies to assist LCDC and the advisory committee. Requires LCDC to report on progress to interim committees of Legislative Assembly no later than September 15, 2022. Appropriates \$\_\_\_\_\_ for the biennium beginning July 1, 2021, out of the General Fund, to the Department of Land Conservation and Development for purpose of administering and implementing Act. Declares emergency, effective July 1, 2021.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

-4 Requires Land Conservation and Development Commission (LCDC), on or before July 1, 2022, to adopt rules identifying reasons sufficient for a county to justify an exception for facilities generating electricity from renewable energy sources that are otherwise not allowed under the applicable statewide planning goal or goals. Requires rules to balance the value of in-state renewable energy generation to provide community benefits, to diversify energy sources of this state, and to address climate change with the continued protections for important resource uses such as agriculture and forestry, natural resources, cultural and historic resources, and open space. Requires LCDC, in adopting rules, to: 1) evaluate different criteria in areas with fewer potential resources or with cultural or community conflicts; 2) evaluate alternative ways to mitigate potential conflicts that cannot be resolved through avoidance or minimization; 3) consider information from the Oregon Department of Energy (ODOE) and any other relevant information from other sources regarding the type of lands suitable for renewable energy projects; 4) empanel a broad and inclusive rule advisory committee that ensures adequate stakeholder representation; 5) consult with the State Department of Agriculture, ODOE, the State Department of Fish and Wildlife, the State Forestry Department, the Public Utility Commission, the State Parks and Recreation Department and the federally recognized Indian tribes in Oregon. Sunsets rule adoption requirement on January

## HB 2520 -4 STAFF MEASURE SUMMARY

2, 2023. Appropriates to LCDC out of the General Fund, in addition to and not in lieu of any other appropriation, for the biennium beginning July 1, 2021, the amount of \$300,000 to adopt rules identifying reasons sufficient for a county to justify an exception for facilities generating electricity from renewable energy sources.

### **BACKGROUND:**

Oregon's rapid population growth and development during the 1960s and 1970s prompted concern about the effect growth might have on the environment, natural resources, and the livability of communities. In a state where agriculture and timber are two of the largest industries, there was concern that conversion of farm and resource lands for development presented a threat to the state's economy. Sprawling development was also thought to increase the cost of public services, as unplanned cities require more streets, longer sewers, and more police and fire fighters. These concerns led to the passage of Senate Bill 100 (1973). The legislation established the Land Conservation and Development Commission (LCDC) that was charged with adopting state land use goals, and the Department of Land Conservation and Development (DLCD), charged with assisting LCDC and local governments in the implementation of those goals and with coordinating state agencies in land use matters. In addition, SB 100 directed local governments to adopt and implement comprehensive plans and revise them periodically in accordance with statewide goals and the needs and desires of the public. After extensive review and public input, LCDC initially adopted 14 statewide land use planning goals in 1974 and added five additional goals over the next three years. Most of the goals are accompanied by "guidelines" that suggest how they should be applied, though these guidelines are not mandatory. Administrative rules have been adopted to help interpret and implement many of the statewide goals. The 19 statewide goals are: Goal 1 – Citizen involvement; Goal 2 - Land use planning; Goal 3 - Agricultural lands; Goal 4 - Forest lands; Goal 5 - Natural resources, scenic and historic areas, and open spaces; Goal 6 - Air, water, and land resources quality; Goal 7 - Areas subject to natural hazards; Goal 8 - Recreational needs; Goal 9 - Economic development; Goal 10 - Housing; Goal 11 - Public facilities and services; Goal 12 - Transportation; Goal 13 - Energy conservation; Goal 14 - Urbanization; Goal 15 - Willamette River Greenway; Goal 16 - Estuarine resources; Goal 17 - Coastal shorelines; Goal 18 - Beaches and dunes; and Goal 19 - Ocean resources.

House Bill 2520 would direct LCDC to update the scope, content, and name of Goal 13, the statewide land use planning goal related to energy conservation, and to consider changes to other related statewide land use planning goals. The measure would specify key issues for LCDC to consider when undertaking the update and would establish an advisory committee to assist LCDC in the update. House Bill 2520 would require LCDC to report back to the legislature by September 15, 2022 on the progress of the update, and would appropriate an unspecified amount to DLCD for the biennium beginning July 1, 2021 to administer and implement provisions of this Act.

## **HB 2814 -1, -3 STAFF MEASURE SUMMARY**

### **House Committee On Energy and Environment**

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**Prepared By:** Erin Pischke, LPRO Analyst

**Meeting Dates:** 3/3, 3/8, 4/7, 4/12

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#### **WHAT THE MEASURE DOES:**

Directs Environmental Quality Commission (EQC) to establish and implement indirect source review program to control emissions of air contaminants from or associated with indirect sources of air pollution. Directs EQC to require the owner or operator of the indirect source emissions that create or are likely to create significant air quality concerns to notify affected residents and businesses in the geographic area affected by the emissions. Takes effect on 91st day following adjournment sine die.

#### **ISSUES DISCUSSED:**

##### **EFFECT OF AMENDMENT:**

-1 Directs Environmental Quality Commission (EQC) to establish standards for indirect sources of air contamination and adopt rules establishing an indirect source review program to control emissions of air contaminants from or associated with indirect sources of air contamination. Authorizes EQC to adopt rules for implementing indirect source review program, including but not limited to, requiring permits and emissions mitigation payments and notifying the public. Authorizes EQC to establish by rule an emissions mitigation payment to be paid by the owner or operator of an indirect source of air contamination based on the emissions of the indirect source of air contamination that exceed the standards established by the EQC. Establishes the Indirect Source Emissions Mitigation Fund in the State Treasury, separate and distinct from the General Fund, consisting of emissions mitigation payments and continuously appropriated to the Department of Environmental Quality for reducing public exposure to air contaminants emitted from mobile sources of air pollution associated with or attracted to indirect sources of air contamination.

-3 Requires Department of Environmental Quality (DEQ) to study program and policy approaches to reducing diesel engine emissions attributable to indirect sources of air contamination. Requires the study to include, but need not be limited to: 1) an evaluation of diesel emissions reductions attributable to commodity transactions; 2) an evaluation of available approaches, tools, and models for quantifying the diesel emissions and public health impacts attributable to different types of indirect sources of air contamination; 3) an evaluation of programs and policies in other jurisdictions designed to reduce emissions attributable to indirect sources of air contamination. Requires DEQ to submit a report to the interim committees of the Legislative Assembly related to the environment no later than September 15, 2022. Requires the report to include the findings of the DEQ study related to diesel emissions and recommendations for a framework for reducing diesel engine emissions attributable to indirect sources of air contamination, which may include recommendations for legislation. Sunsets study and report requirements on January 2, 2023. Takes effect on 91<sup>st</sup> day following adjournment sine die.

#### **BACKGROUND:**

Indirect sources of air pollution are activities or places that attract mobile sources of air pollution, such as vehicles and other motorized equipment. The federal Clean Air Act (CAA) authorizes states to regulate indirect sources. Chapter 468A of Oregon Revised Statutes, as well as the CAA, allow the Environmental Quality Commission (EQC) to regulate air quality in Oregon. House Bill 2814 would direct EQC to establish and implement

**HB 2814 -1, -3 STAFF MEASURE SUMMARY**

an indirect source review program to control emissions of air contaminants from or associated with indirect sources of air pollution and require the operator of the indirect source emissions that may be responsible for significant air quality concerns to notify affected residents and businesses in the geographic area affected by the emissions.

PRELIMINARY

**HB 3180 -3 STAFF MEASURE SUMMARY**  
**House Committee On Energy and Environment**

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**Prepared By:** Erin Pischke, LPRO Analyst

**Meeting Dates:** 4/5, 4/12

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**WHAT THE MEASURE DOES:**

**Renewable Portfolio Standards**

Authorizes electricity from a fossil phase-out facility that became operational before, on, or after the effective date of this 2021 Act may be used to comply with a renewable portfolio standard to the extent that the electricity is renewable thermal electricity. Establishes that the large utility renewable portfolio standard imposes the following **qualifying electricity 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:

- 1) **at least 20 percent** of the electricity sold in each of the calendar years **2020 and 2021**;
- 2) **at least 25 percent** of the electricity sold in **2022**;
- 3) from 2023 onward, increase by a constant amount to achieve **at least 90 percent** of the electricity sold by **2035**; and
- 4) from 2036 onward, increase by a constant amount to achieve **100 percent of the electricity sold before 2051 is qualifying electricity**.

Requires an electric utility to comply with the renewable portfolio standard following a schedule of **unspecified percentages** of the electricity sold by the electric utility to retail electricity consumers in a calendar year to be qualifying electricity beginning in the 10<sup>th</sup>, 15<sup>th</sup> and 20<sup>th</sup> calendar years in which the electric utility becomes subject to the renewable portfolio standard. Requires **100 percent of the electricity sold** to retail electricity consumers in a calendar year by an electric utility **beginning in calendar year 2050** to be qualifying electricity if the 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. Allows electric utilities to not comply with a renewable portfolio standard in certain circumstances. Requires **50 percent of the renewable energy certificates** that were issued for electricity generated by a facility constructed on or after the effective date of this Act, out of the renewable energy certificates used by an electric utility to meet the renewable portfolio standard applicable to that electric utility in a compliance year, to be for electricity generated by a facility that provides direct energy resiliency or environmental benefits in Oregon; and, out of the electricity available to an electric utility from an electricity storage facility and used by the electric utility to offset the renewable portfolio standard in a compliance year, **50 percent of the stored electricity** must be from an electricity storage facility constructed on or after the effective date of this Act that provides direct energy resiliency or environmental benefits in this state. Repeals ORS 469A.075. Establishes that the incremental cost of compliance with a renewable portfolio standard is the difference between the levelized annual delivered cost of the qualifying electricity and what the levelized annual delivered cost of an equivalent amount of qualifying electricity would have been if the applicable renewable portfolio standard for the compliance year had continued to be in effect. Requires the Public Utility Commission (PUC) or the governing body of a consumer-owned utility to use the net present value of delivered cost, including, but not limited to costs associated with compliance with all applicable local, state, regional or federal laws other than the renewable portfolio standard, including but not limited to laws relating to emissions pricing, the social cost of carbon, resilience or reliability. Establishes that all prudently incurred costs associated with compliance recoverable in the rates of an electric company, including but not limited to power purchase costs and energy

storage costs. Requires PUC to establish an automatic adjustment clause to construct or otherwise acquire facilities **that are fossil phase-out facilities**. Requires PUC to impose a penalty, in an amount determined by the commission to be sufficient to deter noncompliance, against an electric company or electricity service supplier that is subject to a renewable portfolio standard fails to comply with the standard, but disallows the penalty from being recovered in the rates of an electric company. Requires PUC to adopt by rule standards and procedures for imposing **penalties for noncompliance**.

#### **Community-Based Renewable Energy**

Requires, by calendar year **2025, at least eight percent** of the electricity sold in this state by each electric company that makes sales of electricity to 25,000 or more retail electricity consumers in this state to be composed of electricity generated from specific sources, including but not limited to **small-scale renewable energy projects or small power production facilities**.

#### **Fossil Phase-Out Provisions**

Establishes qualifications for natural gas-fired resources as a fossil phase-out facility. Requires PUC, in consultation with the Oregon Department of Energy (ODOE), to adopt by rule standards and procedures for determining whether a generating unit qualifies, and maintains qualification, as a fossil fuel phase-out facility. Requires an electric company, on or before January 1, 2030, to eliminate natural gas-fired resources that are not fossil phase-out facilities from its allocation of electricity and establishes total annual fossil fuel content of all electricity procured by an electric company serving retail electricity consumers in Oregon. Requires PUC to require an electric company to submit compliance reports for the purpose of detailing compliance, or failure to comply, with fossil-phase-out and requires PUC, in consultation with the Department of Environmental Quality (DEQ), to establish by rule requirements for compliance reports.

#### **Integrated Clean Energy Implementation Planning**

Requires an electric company to develop an integrated, **clean energy implementation plan**—containing certain information about targets, cost, risk, upgrades, sourcing, staffing, and transmission needs—for meeting the requirements of all clean energy standards applicable to the electric company and file the implementation plan with PUC. Requires PUC to acknowledge or reject an implementation plan no later than six months after the implementation plan is filed with the commission and authorizes the PUC to acknowledge or reject the implementation plan subject to conditions specified by the commission. Requires PUC to adopt rules that establish specific requirements, procedures, and evaluations of implementation.

#### **Storage Requirements**

Requires an electric company to, in specific years, procure qualifying energy storage of certain types, in sufficient amounts necessary to provide the electric company with a cumulative capacity to store the following percentages of the electric company's historic single-hour peak load and exempts an electric company that makes sales of electricity to 25,000 or more retail electricity consumers in this state is exempt from these provisions. Requires PUC, by rule or order, to adopt additional standards for specific years, as necessary to facilitate compliance by electric companies with the applicable clean energy standards while protecting electric system reliability. Establishes that to be qualifying energy storage, a distributed energy storage facility must meet certain criteria, including, but not limited to, support transportation electrification and provide residential or commercial backup power during a loss of grid-supplied electricity in an emergency. Requires PUC to adopt rules for implementation as necessary and, at a minimum, the rules must: 1) **support the potential for qualifying energy storage to provide peaking capacity** for electric companies; 2) **support the diverse ownership of qualifying energy storage facilities**; 3) encourage the location of qualifying energy storage facilities in a manner that **promotes the substantial state interests**; 4) allow for qualifying energy storage to store and **discharge energy to and from wholesale markets** in a manner that does not discourage or impede the ownership of qualifying energy storage by

persons that are not electric companies; and 5) require electric companies to **take requirements into account as part of calculating avoided costs.**

#### Utility Regulation Generally

The PUC shall serve the public interest by: 1) when deciding or deliberating toward a decision, protecting the customers of any public utility or telecommunications utility, and the public generally; 2) developing and implementing policies and rules that encourage social equity, environmental justice, the enhancement of the environment, greenhouse gas emissions reductions, diversity of the ownership and locations of electricity generation systems, resiliency for emergency conditions including wildfire risks, and the fulfillment of the state's energy and climate policies; 3) allowing and fostering broad participation in the regulatory process; and 4) protecting the 10 percent of residential ratepayers with the lowest incomes from cost increases associated with the consequences of state policies.

Requires PUC, in order to facilitate investments in generation, storage, transmission and distribution facilities and other transmission system and grid upgrades necessary to ensure compliance with, and mitigate the risks of compliance with, clean energy standards, to establish one or more **performance-based ratemaking mechanisms** or other rules to incentivize electric companies to achieve certain goals. Establishes guidelines for **power purchase agreements**. Requires PUC to adopt a performance-based ratemaking mechanism that allows for an electric company to: receive one or more graduated performance incentives, or to be subject to one or more graduated performance disincentives, in the form of an increased or decreased overall rate of return, respectively, for overperforming or underperforming relative to the one or more of the clean energy standards applicable to the electric company in a calendar year; and pay a performance incentive on specific power purchase agreements applicable to compliance with the clean energy standards. Requires an electric company or Oregon Community Power, beginning on the date they offer direct access to retail electricity consumers, except residential electricity consumers, to collect a public purpose charge from all of the retail electricity consumers **equal to three percent** of the total revenues collected by the electric company, Oregon Community Power or the electricity service supplier from retail electricity consumers for electricity services, distribution services, ancillary services, metering and billing, transition charges and other types of costs included in electric rates on July 23, 1999. Requires an aluminum plant that averages more than 100 average megawatts of electricity use per year, the electric company or Oregon Community Power, whichever serves territory that abuts the greatest percentage of the site of the aluminum plant, to collect from the aluminum company a public purpose charge **equal to one percent** of the total revenue from the sale of electricity services to the aluminum plant from any source. Authorizes an electric company to collect a nonbypassable public purpose charge not to exceed three percent of the revenues in addition to the public purpose charge and requires PUC to collect a public purpose charge if collection of the public purpose charge is justified to mitigate costs or schedule risk associated with an electric company's obligation to comply with the renewable portfolio standard.

Requires PUC to direct the manner in which public purpose charges are collected and invested by an electric company under this subsection, and may require the funds collected through public purpose charges to be paid to specific nongovernmental entities. Requires PUC to direct the funds to be invested in a manner that encourages ownership of on-system distributed generation, storage, and energy efficiency resources by members of federally recognized Oregon Indian tribes and economically and environmentally vulnerable communities.

#### Cogeneration and Small Power Production Facilities

Requires PUC to: 1) promote the development of a diverse array of permanently sustainable energy resources using the public and private sectors to the highest degree possible; and 2) insure that rates for purchases by an electric utility from, and rates for sales to, a qualifying facility shall over the term of a contract be just and reasonable to the electric consumers of the electric utility, the qualifying facility and in the public interest.

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Requires electric utility to prepare, publish, and file with the PUC, at least once every two years, a schedule of avoided costs equaling the utility's forecasted incremental cost of electric resources over at least the next **35** years. Requires projected **avoided costs** calculated at the time the legal obligation to purchase the energy or energy and capacity is incurred and for avoided costs to meet certain criteria. Requires an electric utility, in identifying resource needs through integrated resource planning and in calculating avoided costs, to forecast a reasonable failure rate for qualifying facilities as compared to the total amount contracted. Requires an electric utility to offer, in all **competitive procurement contracts, standard contracts, and rates**, to purchase energy or energy and capacity from new qualifying facilities at price premiums of specific percentages of the purchase price. Requires a public utility to offer, and the commission shall approve, **standard avoided-cost rates** and simple standard contracts, that meet certain criteria, for the purchase of energy or energy and capacity from qualifying facilities with a design capacity of not greater than 80 megawatts alternating current. Requires a public utility to provide separate **standard pricing schedules** offering incremental capacity pricing for storage facilities that are co-located or otherwise incorporated with qualifying facilities if the storage facilities charge from the qualifying facility. Requires a public utility shall act in good faith and with fair dealing in providing, executing, and carrying out agreements for the purchase of energy or energy and capacity from a qualifying facility and regarding all related interconnection studies and processes and the public utility is prohibited from engaging in certain activities.

### ISSUES DISCUSSED:

#### EFFECT OF AMENDMENT:

-3 Establishes that the large utility renewable portfolio standard imposes the following **qualifying electricity requirements** on an electric utility that makes sales of electricity in an amount that equals three percent or more of all electricity sold to retail electricity consumers: **at least 25 percent** of the electricity sold in **2025 by a consumer-owned utility** to retail electricity consumers. Adds ORS 469A.210 to and makes part of ORS chapter 757. Requires, by calendar year **2030, at least five percent** and by **2035 at least 10 percent** of the electricity sold in this state by each electric company that makes sales of electricity to 25,000 or more retail electricity consumers in this state to be composed of electricity generated from specific sources, including but not limited to **small-scale renewable energy projects or small power production facilities**.

Requires an electric company to develop an integrated, clean energy implementation plan for meeting the requirements of all clean energy standards applicable to the electric company and file the implementation plan with PUC, including information about electricity generated by sources any single small-scale renewable energy projects or facilities that generate electricity using biomass that also generate thermal energy for a secondary purpose may be used to comply with the requirement specified in subsection (2) of this section for up to 20 megawatts of capacity, regardless of the facility's nameplate capacity. Removes requirement for a schedule for implementation of the clean energy plan that would include separate, nonlinear biennial targets for meeting the clean energy plan requirements.

Requires projected **avoided costs** calculated at the time the legal obligation to purchase the energy or energy and capacity is incurred and for avoided costs to: 1) not be less than the greater of the equivalent cost for a utility-owned facility that is used as a reference or the equivalent average pricing for the electric utility's three most recently constructed facilities of the same resource type and three most recently contracted facilities for which security was posted after power contract execution by a seller that was not an electric utility; 2) be calculated based on the electric utility's long-term avoided costs of acquiring facilities that will be in service a minimum of 20 years or energy under long-term power purchase agreements of 20 years of more; 3) account for the scarcity of availability and development of generation and transmission given reasonable projections of supply and demand, which must consider the effects of local, state, regional or federal laws relating to clean energy,



## HB 3180 -3 STAFF MEASURE SUMMARY

emissions pricing, the social cost of carbon, resilience, or reliability; and 4) account for penalties, performance-based ratemaking mechanisms, and price premiums.

Requires electric company or facility (owner) to award contracts to a training agent and to: 1) award subcontracts with an estimated cost of at least \$250,000 only to a subcontractor who is a training agent; 2) provide in all subcontracts the contractor awards for work under a qualified contract in which the contract price for the subcontract exceeds \$250,000 that the subcontractor undertake the duties of paying the prevailing wage and making a good-faith effort to encourage specific populations to perform contracted work; 3) pay the prevailing rate of wage for an hour's work in the same trade or occupation in the locality where the labor is performed and employ apprentices to perform 15 percent of the work hours that workers in apprenticeable occupations perform under the qualified contract, except that if the proposed renewable energy generation facility will be located in a nonurban county then the qualified contract may allow a contractor to either pay the prevailing rate of wage for an hour's work in the same trade or occupation in the locality where the labor is performed; or employ apprentices to perform 15 percent of the work hours that workers in apprenticeable occupations perform under the qualified contract; and 4) make good-faith efforts to encourage minority individuals, women, and service-disabled veterans to perform work under the contract or subcontract.

Authorizes owner to meet **contract awards requirements** through the terms of a community benefits agreement entered into between the prospective contractor and a local government, a school district, a local environmental, or habitat conservation organization of another entity that exists for the public benefit as identified by rule by the PUC. Requires owner, at least 30 days before making any final payment to a contractor under a qualified contract, to determine the extent of the contractor's compliance with the requirements set forth in contract awards requirements. Requires an owner to attest or declare the extent to which the **responsible labor standards** requirements were met during all periods of construction and shall provide the attestation or declaration to: the Bureau of Labor and Industries and, if a direct subsidy was secured for the development of the renewable energy generation facility, the state or local government entity that provided the direct subsidy. Establishes that contract awards requirements do not apply to a qualified contract if the owner determines that compliance with the requirements would, with respect to the qualified contract, cause unreasonable expense or delay or limit the pool of bidders to fewer than three.

### **BACKGROUND:**

The Oregon Renewable Portfolio Standard (RPS) was enacted in 2007 through Senate Bill 838. The bill directed Oregon utilities to meet a percentage of their retail electricity needs with qualified renewable resources. For Oregon's three largest utilities (Portland General Electric, PacifiCorp, and the Eugene Water and Electric Board), the standard started at 5 percent in 2011, increased to 15 percent in 2015, 20 percent in 2020, and 25 percent in 2025. Other electric utilities in the state, depending on size, had different standards to meet by 2025. The Public Utility Commission (PUC) regulates customer rates and services of the state's investor-owned electric, natural gas and telephone utilities, as well as certain water companies.

Senate Bill 1547 (2016) revised the large utility RPS to require that at least 27 percent of electricity sold in years 2025–2029 be qualifying electricity generated from a renewable energy source; at least 35 percent of electricity sold in years 2030–2034 be qualifying electricity generated from a renewable energy source; at least 45 percent of electricity sold in years 2035–2039 be qualifying electricity generated from a renewable energy source; and at least 50 percent of electricity sold in 2040 and beyond be qualifying electricity generated from a renewable energy source. The bill revised how renewable energy certificates may be banked and used by electric companies. Senate Bill 1547 allowed as qualifying electricity the use of electricity from a generating facility using biomass or direct combustion of municipal solid waste.

House Bill 3180 would modify and add laws related to utilities, including:

*This Summary has not been adopted or officially endorsed by action of the committee.*

**HB 3180 -3 STAFF MEASURE SUMMARY**

- Renewable Portfolio Standards
- Community-Based Renewable Energy
- Fossil Phase-Out Provisions
- Integrated Clean Energy Implementation Planning
- Storage Requirements
- Utility Regulation Generally
- Cogeneration and Small Power Production Facilities

**HB 3278 -1 STAFF MEASURE SUMMARY**  
**House Committee On Energy and Environment**

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**Prepared By:** Erin Pischke, LPRO Analyst

**Meeting Dates:** 3/24, 4/12

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**WHAT THE MEASURE DOES:**

Directs the Oregon Department of Fish and Wildlife (ODFW), in consultation with the Department of State Lands and the State Parks and Recreation Department, to study the potential for developing commercial seaweed production to produce feed for livestock as a means to reduce methane emissions. Directs ODFW to present the study in a report to an appropriate committee or interim committee of the Legislative Assembly on or before September 15, 2022. Sunsets study and reporting requirements on January 2, 2023.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

-1 Directs the **Oregon Department of Agriculture (ODA)**, in **partnership with Oregon State University**, to study the potential for developing commercial seaweed production to produce feed for livestock as a means to reduce methane emissions. Directs **ODA** to present the study in a report to an appropriate committee or interim committee of the Legislative Assembly on or before September 15, 2022. Sunsets study and reporting requirements on January 2, 2023.

**BACKGROUND:**

According to the Food and Agriculture Organization of the United Nations, livestock are responsible for almost 15 percent of global greenhouse gas emissions. Approximately two-fifths of livestock emissions are in the form of methane, a greenhouse gas. One potential method for reducing methane emissions from livestock is to improve the feed they are given.

House Bill 3278 would direct the Oregon Department of Fish and Wildlife, in consultation with the Department of State Lands and the State Parks and Recreation Department, to study and report to the Legislative Assembly the potential for developing commercial seaweed production to produce feed for livestock as a means to reduce methane emissions.

**HB 3375 -1 STAFF MEASURE SUMMARY**  
**House Committee On Energy and Environment**

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**Prepared By:** Erin Pischke, LPRO Analyst

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

**Meeting Dates:** 3/31, 4/12

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**WHAT THE MEASURE DOES:**

Establishes goal of planning for development of three gigawatts of commercial scale floating offshore wind energy projects within federal waters off Oregon Coast by 2030. Establishes Task Force on Floating Offshore Wind Energy consisting of at least 11 members from the Legislative Assembly, state agencies and others by appointment. Requires task force to develop floating offshore wind development strategic plan to: 1) examine the potential for floating offshore wind energy development in federal waters off the Oregon coast; 2) evaluate actions necessary to promote development of floating offshore wind energy; 3) recommend a comprehensive and efficient state and federal permitting timeline for development of floating offshore wind energy projects in federal waters off the Oregon coast; 4) include a progressively adaptive management and development approach to meeting goals; 5) identify measures for minimizing conflicts with existing ocean users in areas of federal waters off the Oregon coast that are leased for the development of floating offshore wind energy; 6) identify mechanisms, measures, and other opportunities for the development of floating offshore wind energy to provide net benefits to existing ocean users; 7) include a full evaluation of the impacts of floating offshore wind energy on the coastal, state, and regional electricity transmission grid; 8) identify or recommend local or state initiatives designed to maximize the benefits to the people of this state of developing floating offshore wind energy; 9) evaluate options for integrating the development of floating offshore wind energy with Oregon's ports and evaluate the potential economic, ecological, workforce, and functionality impacts on Oregon's ports related to the development of floating offshore wind energy; 10) be the result of and promote regular, collaborative engagement with other Pacific coast states, tribal nations, and provinces with relation to the development of floating off-shore wind energy; and 11) assess the opportunities and challenges of developing floating offshore wind energy in federal waters off the Oregon coast. Requires task force to solicit input from representatives of relevant local, regional, and federal entities and submit plan to interim committees of Legislative Assembly related to energy no later than September 15, 2022. Sunsets task force work and plan submission on December 31, 2022. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

-1 Requires federal planning or permitting process for offshore energy research and development in federal waters off the Oregon coast and for any related transmission and other facilities, particularly those that transverse Oregon's territorial sea, to adequately consider the prompt decommissioning of any offshore facility after permanent cessation of use of the facility. Requires federal planning or permitting process to consider the removal or decommissioning of anchors, cables, and any other equipment related to the facility in a manner that will serve to avoid future conflicts between the equipment and fishing operations conducted by persons who hold licenses issued pursuant to the commercial fishing laws. Requires Oregon Department of Energy (ODOE) to: 1) conduct a literature review on the benefits and challenges of integrating up to three gigawatts of floating offshore wind energy into Oregon's electric grid by 2030; 2) gather input and consult with other interested or appropriate state, regional, and national entities on the effects of integrating up to three gigawatts of floating offshore wind energy on reliability, state renewable energy goals, jobs, equity, and resilience; and 3) hold no less than two public

## HB 3375 -1 STAFF MEASURE SUMMARY

remote meetings with interested stakeholders to provide a summary of the literature review and consultation required by this section and to gather feedback from stakeholders on the benefits and challenges of integrating up to three gigawatts of floating offshore wind energy into Oregon's electric grid. Requires ODOE to provide a summary of the key findings from literature review and consultation, including opportunities for future study and engagement, in a report to the appropriate interim committees of the Legislative Assembly no later than September 15, 2022. Sunsets literature review and report requirements on January 2, 2023.

### **BACKGROUND:**

Wind energy is a rapidly growing source of renewable energy in the United States. Offshore wind projects have the potential to expand the United States' amount of wind power available and provide states with economic opportunities. Only Rhode Island has an operating offshore wind installation, but more than 25 gigawatts of offshore wind projects are currently being developed in the country. Oregon's wind energy industry has developed mainly in the central and eastern end of the Columbia River and in northeastern Oregon. Developments have been proposed in other areas with good potential wind resources, including the Cascades, along the Oregon coast, and in southeastern Oregon.

House Bill 3375 would establish the Task Force on Floating Offshore Wind Energy consisting of at least 11 members from the Legislative Assembly, state agencies, and others by appointment. The measure would require the task force to solicit input from representatives of relevant local, regional, and federal entities and submit plan to Legislative Assembly related to energy no later than September 15, 2022. House Bill 3375 would sunset the task force work and plan submission requirement on December 31, 2022.