

## HB 3221 A STAFF MEASURE SUMMARY

### House Committee On Water

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**Action Date:** 04/06/21

**Action:** Do pass with amendments and be referred to Ways and Means by prior reference.  
(Printed A-Eng.)

**Vote:** 7-1-0-0

**Yeas:** 7 - Breese-Iverson, Helm, Leif, Owens, Reynolds, Wilde, Witt

**Nays:** 1 - Reardon

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

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

**Meeting Dates:** 3/9, 3/30, 4/6

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#### WHAT THE MEASURE DOES:

Allows Public Utility Commission (PUC) to authorize qualified utility to provide local governments, service districts, and tribal governments opportunities for renewable energy through the Oregon Renewable Options Program (Program). Requires that Program allow for the following: participating community to coordinate with qualified utility to create and submit proposal for Program; Public Purpose Fund Administer to recover costs as directed by the PUC and provide facilitation services, resilience planning, or other technical assistance; all retail electricity consumers (consumers) served within boundary of participating community with an electricity demand less than 30 kilowatts to be automatically placed on rate schedule for Program with an opportunity to decline service by the Program; and any consumer served within boundary of participating community with an electricity demand of 30 kilowatts or more to opt in to participate in Program. Requires that each participating community utilize a public engagement process to solicit feedback from and address the needs of participating customers. Establishes process for the development, approval, and implementation of Program. Limits cumulative generating capacity of small renewable energy projects included in a proposal to at least five megawatts or five percent of the cumulative generating capacity requested. Limits cumulative generating capacity of all large renewable energy projects or unbundled renewable energy certificates included in a proposal to 95 percent of the cumulative generating capacity requested. Limits maximum cumulative generating capacity of all renewable energy projects included in proposal to five megawatts, if qualified utility participating in proposal is an electric company serving fewer than 25,000 consumers in the state. Directs qualified utility to include in customer billing statements costs of participation in Program and provide written notice to participating customers of any change in rate for participation. Allows qualified utility to automatically enroll in Program all consumers served within the boundary of participating community. Requires qualified utility to provide consumers who did not opt into the Program an opportunity to decline enrollment and prohibits qualified utility from assessing a fee or penalty against a consumer who declines to participate within an initial opt-out period. Allows PUC to investigate qualified utility's compliance with reliability standards and integrity of qualified utility's electrical system when participating in Program. Establishes process for issuing temporary exemption for qualified utility if reliability or integrity issue exists. Authorizes PUC to take action before operative date of January 1, 2023, to enable conformity with provisions of the bill. Defines terms. Takes effect on 91<sup>st</sup> day following adjournment sine die.

#### ISSUES DISCUSSED:

- Community job creation and education
- Role of investor-owned utilities in Program implementation
- Application of interconnection queue to community projects
- Benefits of community projects to irrigation districts

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### **EFFECT OF AMENDMENT:**

Replaces the measure.

### **BACKGROUND:**

Oregon's Renewable Portfolio Standard (RPS) was enacted in 2007 through Senate Bill 838. In 2016, the passage of Senate Bill 1547 amended the RPS to require 50 percent of the electricity used in the state to come from renewable resources by 2040, including benchmarks along the way. Renewable energy sources that comply with Oregon's RPS include wind, solar photovoltaic and solar thermal, wave, tidal, ocean thermal, geothermal, small hydropower, landfill gas and other biogases, and certain biomass products.

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

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