

Requested by Representative MARSH

**PROPOSED AMENDMENTS TO
HOUSE BILL 2021**

1 Delete lines 4 through 11 of the printed bill and insert:

2 **“SECTION 1. Definitions. As used in sections 1 to 4 of this 2021 Act:**

3 **“(1) ‘Community renewable energy project’ means one or more**
4 **renewable energy systems, storage systems, microgrids or energy-**
5 **related infrastructures that promotes energy resilience, increases**
6 **renewable energy generation or renewable energy storage capacity,**
7 **and provides a direct benefit to a particular community in the form**
8 **of increased community energy resilience, local jobs, economic devel-**
9 **opment or direct energy cost savings to families and small businesses.**

10 **“(2) ‘Community energy resilience’ means the ability of a specific**
11 **community to maintain the availability of energy needed to support**
12 **the provision of energy-dependent critical public services to the com-**
13 **munity following nonroutine disruptions of severe impact or duration**
14 **to the state’s broader energy systems.**

15 **“(3) ‘Community energy resilience project’ means a community**
16 **renewable energy project that includes utilizing one or more renewable**
17 **energy systems to support the energy resilience of structures or facil-**
18 **ities that are essential to the public welfare.**

19 **“(4) ‘Energy resilience’ means the ability of energy systems, from**
20 **production through delivery to end-users, to withstand and restore**
21 **energy delivery rapidly following nonroutine disruptions of severe im-**

1 **pact or duration.**

2 **“(5) ‘Renewable energy system’ includes:**

3 **“(a) A system that uses biomass, solar, geothermal, hydroelectric,**
4 **wind, landfill gas, biogas or wave, tidal or ocean thermal energy**
5 **technology to produce energy.**

6 **“(b) One or more energy storage systems paired with an existing**
7 **or newly constructed system described in paragraph (a) of this sub-**
8 **section.**

9 **“(c) One or more vehicle charging stations paired with an existing**
10 **or newly constructed system described in paragraph (a) of this sub-**
11 **section.**

12 **“(d) Microgrid enabling technologies.**

13 **“SECTION 2. Grants for community renewable energy projects; ap-**
14 **plication; standards; rules. (1)(a) A public entity or federally recog-**
15 **nized Oregon Indian tribe may submit to the State Department of**
16 **Energy an application for grant moneys from the Community**
17 **Renewables Investment Fund established under section 5 of this 2021**
18 **Act for the purpose of planning or creating community renewable en-**
19 **ergy projects.**

20 **“(b) An applicant may partner with a nonprofit entity, a private**
21 **business with a business site in this state or an owner of rental prop-**
22 **erty in this state, but a grant for an approved application will only be**
23 **awarded and released to an applicant that is a public entity or feder-**
24 **ally recognized Oregon Indian tribe. Any nonprofit entity, private**
25 **business or owner of rental property that partners with the applicant**
26 **must be listed in the application.**

27 **“(c) An application must be drafted in consultation with electric**
28 **utilities that have customers in the communities covered by a com-**
29 **munity renewable energy project that is in the application and re-**
30 **gional stakeholders for the purpose of ensuring feasibility.**

1 **“(2) An application for planning a community renewable energy**
2 **project must demonstrate that the planning:**

3 **“(a) Is for a project located in this state but outside the City of**
4 **Portland;**

5 **“(b) Will be completed within six months;**

6 **“(c) Will result in a proposal for creating a community renewable**
7 **energy project; and**

8 **“(d) Incorporates feedback from:**

9 **“(A) Members of environmental justice communities covered by the**
10 **community renewable energy project;**

11 **“(B) Businesses located in the communities covered by the com-**
12 **munity renewable energy project;**

13 **“(C) Electric utilities that have customers in the communities cov-**
14 **ered by the community renewable energy project; and**

15 **“(D) Other regional stakeholders.**

16 **“(3) An application for creating a community renewable energy**
17 **project must demonstrate that the project:**

18 **“(a) Is located in this state but outside the City of Portland;**

19 **“(b) Will be completed within 18 months;**

20 **“(c) Results in increased community energy resilience, local jobs,**
21 **economic development or direct energy cost savings to families and**
22 **small businesses;**

23 **“(d) Complies with applicable state and local laws and regulations**
24 **and has the required licenses and permits;**

25 **“(e) Does not exceed 20 megawatts of nameplate capacity, if the**
26 **project is for generating renewable energy; and**

27 **“(f) Will operate for at least five years, if the project is for**
28 **producing electricity, or for at least a period of time established by the**
29 **Director of the State Department of Energy by rule.**

30 **“(4) Upon receipt of an application submitted under this section, the**

1 department shall review and determine whether the applicant is eligi-
2 ble to receive a grant from the Community Renewables Investment
3 Fund established under section 5 of this 2021 Act. The department may
4 approve an application if the department finds that:

5 “(a) The planning or project proposal meets the requirements listed
6 in subsection (2) or (3) of this section;

7 “(b) The proposal meets the standards described in subsection (6)
8 of this section;

9 “(c) The proposal meets any standards adopted by rule under sub-
10 section (8) of this section;

11 “(d) The proposal is technically feasible; and

12 “(e) Any public entity, private business or owner of rental property
13 partnered with the applicant is listed in the application.

14 “(5) If the department approves an application under this section,
15 the department and the applicant may enter into a performance
16 agreement that meets the requirement set forth in section 3 of this
17 2021 Act.

18 “(6) In approving applications and awarding grant moneys, the de-
19 partment shall prioritize planning and project proposals that:

20 “(a) Include community renewable energy projects.

21 “(b) Increase energy efficiency or result in demands response ag-
22 gregate improvements.

23 “(c) Are for projects located in a geographic area that is identified
24 by the department as being at high risk for natural disasters, eco-
25 nomically disadvantaged or socially vulnerable.

26 “(d) When applicable, are for projects constructed in part or in
27 whole by disadvantaged business enterprises, emerging small busi-
28 nesses or businesses that are owned by minorities, women or disabled
29 veterans.

30 “(e) Include inclusive hiring and promotion policies for workers

1 **working on the projects.**

2 **“(f) Incorporate equity metrics developed in coordination with the**
3 **Environmental Justice Task Force established by ORS 182.538 for**
4 **evaluating the involvement of and leadership by people of low income,**
5 **Black, Indigenous or People of Color, people with disabilities, youth,**
6 **people from rural communities and people from otherwise disadvan-**
7 **taged communities in the siting, planning, designing or evaluating of**
8 **the proposed renewable energy systems.**

9 **“(7) Up to 50 percent of all moneys available for providing grants**
10 **in the Community Renewable Investment Fund on July 1 of each fiscal**
11 **year may be reserved for grants to applicants that primarily serve**
12 **low-income households or communities. The department may award**
13 **additional grant moneys to applicants that primarily serve low-income**
14 **households or communities if there are moneys in the Community**
15 **Renewable Investment Fund that have been reserved but have not**
16 **been awarded because there is an insufficient number of applicants**
17 **that primarily serve low-income households or communities.**

18 **“(8) The department shall adopt rules, in consultation with Business**
19 **Oregon, to carry out sections 1 to 4 of this 2021 Act. The rules must:**

20 **“(a) Define the planning costs eligible to be covered by a grant**
21 **provided under section 3 (1) of this 2021 Act.**

22 **“(b) Create a community centered process for identifying what**
23 **specific structures or facilities are involved with delivering essential**
24 **services and provide maximum benefit if supported by a community**
25 **energy resilience project.**

26 **“(c) Incorporate existing designations under state and federal law**
27 **of critical infrastructure or essential buildings for the purpose of**
28 **identifying structures or facilities essential to the public welfare dur-**
29 **ing an emergency.**

30 **“(d) Be consistent with Executive Orders 17-20 and 20-04, available**

1 guidance by the Seismic Safety Policy Advisory Commission, available
2 guidance by the State Resilience Officer and the Building Resilient
3 Infrastructure and Communities program of the Federal Emergency
4 Management Agency.

5 **“SECTION 3. Performance agreements; requirements. (1)(a) A per-**
6 **formance agreement for planning a community renewable energy**
7 **project entered into between the State Department of Energy and an**
8 **applicant under section 2 (5) of this 2021 Act must provide, at a mini-**
9 **mum:**

10 **“(A) A grant that covers up to 100 percent of the reasonable plan-**
11 **ning costs including, but not limited to, costs associated with:**

12 **“(i) Consulting fees.**

13 **“(ii) Load analysis.**

14 **“(iii) Siting, excluding property acquisition.**

15 **“(iv) Ensuring code compliance.**

16 **“(v) Interconnection studies.**

17 **“(vi) Transmission studies.**

18 **“(vii) Other reasonable expenditures made in the community**
19 **renewable energy project planning process as determined by the de-**
20 **partment by rule.**

21 **“(B) A grant may not be used to cover any fixed costs the applicant**
22 **would incur in the applicant’s normal course of business such as ex-**
23 **isting staff salaries or overhead costs.**

24 **“(C) The department may recover grant moneys if a project fails to**
25 **abide by the performance agreement or if planning is not completed**
26 **within six months from the date the performance agreement is signed.**

27 **“(b) Notwithstanding paragraph (a) of this subsection, the depart-**
28 **ment may provide a grant that covers 100 percent of the reasonable**
29 **planning costs only if the application demonstrates the planning pro-**
30 **posal is for a community renewable energy project that:**

1 **“(A) If for producing energy:**
2 **“(i) Will make use of an adequately available renewable energy re-**
3 **source to produce the energy;**
4 **“(ii) Has a specific market for the energy; and**
5 **“(iii) Will reasonably and efficiently connect or transmit the energy**
6 **to the specific community identified in the application under section**
7 **2 (2) of this 2021 Act; or**
8 **“(B) If for increasing energy resilience:**
9 **“(i) Will increase the energy resilience of a specific structure or**
10 **facility essential to the public welfare; and**
11 **“(ii) Will provide energy resilience benefits to the specific structure**
12 **or facility.**
13 **“(2) A performance agreement for creating a community renewable**
14 **energy project entered into between the State Department of Energy**
15 **and an applicant under section 2 (5) of this 2021 Act must provide, at**
16 **a minimum:**
17 **“(a) A grant that covers no more than \$1 million for a given**
18 **renewable energy system and no more than 35 percent of the total**
19 **costs associated with the project, except the grant amount will be re-**
20 **duced if the grant combined with other government incentives and**
21 **grants received by the applicant exceeds 75 percent of the total costs**
22 **associated with the project.**
23 **“(b) The department may release no more that 30 percent of the**
24 **grant moneys awarded upon entering into a performance agreement**
25 **for creating a community renewable energy project with the remaining**
26 **grant moneys to be released upon the department’s verifying the**
27 **completion of the project and if the applicant demonstrates having:**
28 **“(A) Taken meaningful steps to seek site control, including but not**
29 **limited to, an option to lease or purchase the site or an executed letter**
30 **of intent or exclusivity agreement to negotiate an option to lease or**

1 purchase the site;

2 “(B) Filed a request for a power purchase agreement, if the project
3 will primarily produce renewable energy;

4 “(C) Filed a request for a net metering agreement, if the project is
5 a community energy resilience project;

6 “(D) Filed a request for interconnection with a host utility or ap-
7 propriate transmission provider; and

8 “(E) Met any other requirements provided by the department by
9 rule.

10 “(c) The department may recover grant moneys if a project fails to
11 abide by the performance agreement or if construction is not com-
12 pleted within 18 months from the date the performance agreement is
13 signed.

14 “SECTION 4. Advisory committee. The Director of the State De-
15 partment of Energy may appoint an Advisory Committee on Commu-
16 nity Renewables Investment to provide consultation on the
17 implementation of sections 1 to 4 of this 2021 Act. A committee ap-
18 pointed under this section shall consist of:

19 “(1) A member of the Environmental Justice Task Force;

20 “(2) A representative of Business Oregon;

21 “(3) A representative of electric companies;

22 “(4) A representative of consumer-owned utilities;

23 “(5) A representative from an organization that represents com-
24 munity renewable energy development;

25 “(6) Three representatives of local government to represent the in-
26 terests of counties, cities and special districts;

27 “(7) Representatives from nongovernmental organizations that rep-
28 resent communities of low income or disadvantaged households; and

29 “(8) Representatives from relevant state and federal emergency
30 management or response agencies.

1 **“SECTION 5. Community Renewables Investment Fund; uses. (1)**

2 **The Community Renewables Investment Fund is established in the**
3 **State Treasury, separate and distinct from the General Fund. Interest**
4 **earned by the Community Renewables Investment Fund shall be**
5 **credited to the fund. The fund consists of:**

6 **“(a) Moneys appropriated or otherwise transferred to the fund by**
7 **the Legislative Assembly;**

8 **“(b) Moneys received from federal, state or local sources;**

9 **“(c) Gifts, grants or other moneys contributed to the fund; and**

10 **“(d) Other amounts deposited in the fund from any source.**

11 **“(2) Moneys in the fund are continuously appropriated to the State**
12 **Department of Energy for the purpose of providing grants to appli-**
13 **cants approved under section 2 of this 2021 Act.**

14 **“(3) The department may use reasonable amounts from the fund**
15 **necessary, but no more than _____ percent of the fund, to ad-**
16 **minister the grant program described in section 2 of this 2021 Act.**

17 **“(4) The Director of the State Department of Energy shall submit**
18 **a biennial report to the Legislative Assembly in the manner provided**
19 **by ORS 293.640 regarding the expenditures of moneys deposited in the**
20 **Community Renewables Investment Fund and status of ongoing**
21 **projects funded by the moneys.**

22 **“SECTION 6. Captions. The section captions used in this 2021 Act**
23 **are provided only for the convenience of the reader and do not become**
24 **part of the statutory law of this state or express any legislative intent**
25 **in the enactment of this 2021 Act.**

26 **“SECTION 7. Appropriations. In addition to and not in lieu of any**
27 **other appropriations, there is appropriated to the Community**
28 **Renewables Investment Fund, for the biennium beginning July 1, 2021,**
29 **out of the General Fund, the amount of \$50,000,000 for the purposes**
30 **specified in section 5 of this 2021 Act.**

1 **“SECTION 8. Operative date. (1) Sections 2 and 3 of this 2021 Act**
2 **become operative on January 1, 2022.**

3 **“(2) The State Department of Energy may take any action before**
4 **the operative date specified in subsection (1) of this section that is**
5 **necessary to enable the authority to exercise, on or after the operative**
6 **date specified in subsection (1) of this section, all of the duties, func-**
7 **tions and powers conferred on the authority by sections 2 and 3 of this**
8 **2021 Act.**

9 **“SECTION 9. Effective date. This 2021 Act takes effect on the 91st**
10 **day after the date on which the 2021 regular session of the Eighty-first**
11 **Legislative Assembly adjourns sine die.”.**

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