

Requested by Representative MARSH

**PROPOSED AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 2021**

1 On page 1 of the printed A-engrossed bill, line 2, after “469A.205,” insert  
2 “469A.210,”.

3 On page 2, delete lines 21 through 25 and insert:

4 “(2) ‘Community-based renewable energy’ means one or more renewable  
5 energy systems that interconnect to utility distribution or transmission as-  
6 sets and may be combined with microgrids, storage systems or demand re-  
7 sponse measures, or energy-related infrastructure that promotes climate  
8 resiliency or other such measures, and that.”.

9 In line 26, delete “(b)” and insert “(a)”.

10 In line 29, delete “(c)” and insert “(b)”.

11 On page 3, line 20, after “2040,” insert “and for every subsequent year,”.

12 After line 41, insert:

13 “(c) Include a risk-based examination of resiliency opportunities that in-  
14 cludes costs, consequences, outcomes and benefits based on resiliency stan-  
15 dards established by the Public Utility Commission by rule;

16 “(d) Examine the costs and opportunities of offsetting energy generated  
17 from fossil fuels with community-based renewable energy;”.

18 In line 42, delete “(c)” and insert “(e)”.

19 In line 45, delete “(d)” and insert “(f)”.

20 On page 4, line 7, delete “(4)(c)” and insert “(4)(e)”.

21 In line 18, delete “as a result” and insert “forecasted in”.

1 In line 19, delete the first “of”.

2 On page 6, line 17, delete “or resources”.

3 In line 21, delete “the development of”.

4 In line 27, after “transmission” insert “, constraints”.

5 In line 39, delete “, a community solar project as defined in ORS  
6 757.386”.

7 In line 43, after “electricity” insert “, other than unspecified market  
8 power,”.

9 On page 11, delete line 3 and insert:

10 **“SECTION 17. Sections 1 to 15 of this 2021 Act do not apply to an**  
11 **electric company, as defined in ORS 757.600, that serves electricity to**  
12 **25,000 or fewer retail electricity consumers, as defined in ORS 757.600,**  
13 **located in this state.”.**

14 In line 24, delete “and”.

15 After line 24, insert:

16 “(L) The Public Utility Commission;

17 “(M) The Public Purpose Fund Administrator described in ORS 470.555;  
18 and”.

19 In line 25, delete “(L)” and insert “(N)”.

20 After line 41, insert:

21 “(3) Members of the work group shall comply with requests from the State  
22 Department of Energy for data related to the work group’s study and work  
23 under this section.”.

24 In line 42, delete “(3)” and insert “(4)”.

25 On page 13, line 21, delete “but not limited to,”.

26 On page 22, line 45, delete “COMMUNITY” and insert  
27 “COMMUNITY-BASED”.

28 Delete pages 23 through 26.

29 On page 27, delete lines 1 through 28 and insert:

30 **“SECTION 29. Definitions. As used in sections 29 to 32 of this 2021**

1 **Act:**

2 **“(1) ‘Community-based renewable energy project’ means one or**  
3 **more renewable energy systems that interconnect to utility distrib-**  
4 **ution or transmission assets and may be combined with microgrids,**  
5 **storage systems or demand response measures, or energy-related**  
6 **infrastructure that promotes climate resiliency or other such meas-**  
7 **ures, and that:**

8 **“(a) Provide a direct benefit to a particular community through a**  
9 **community-benefits agreement or direct ownership by a local govern-**  
10 **ment, nonprofit community organization or federally recognized In-**  
11 **dian tribe; or**

12 **“(b) Result in increased resiliency or community stability, local**  
13 **jobs, economic development or direct energy cost savings to families**  
14 **and small businesses.**

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

20 **“(3) ‘Community energy resilience project’ means a community-**  
21 **based renewable energy project that includes utilizing one or more**  
22 **renewable energy systems to support the energy resilience of struc-**  
23 **tures or facilities that are essential to the public welfare.**

24 **“(4) ‘Energy resilience’ means the ability of energy systems, from**  
25 **production through delivery to end-users, to withstand and restore**  
26 **energy delivery rapidly following nonroutine disruptions of severe im-**  
27  **pact or duration.**

28 **“(5) ‘Project cost’ means the actual cost of the acquisition, con-**  
29 **struction and installation of a renewable energy system incurred by a**  
30 **community-based renewable energy grant applicant before considering**

1 utility incentives.

2 “(6) ‘Qualifying community’ means a community that qualifies as  
3 an environmental justice community as defined in section 1 of this  
4 2021 Act.

5 “(7) ‘Renewable energy system’ includes a system that uses  
6 biomass, solar, geothermal, hydroelectric, wind, landfill gas, biogas or  
7 wave, tidal or ocean thermal energy technology to produce energy and  
8 may be paired with:

9 “(a) One or more energy storage systems;

10 “(b) One or more vehicle charging stations; or

11 “(c) Microgrid enabling technologies, including microgrid control-  
12 lers and any other related technologies needed to electrically isolate  
13 a community energy resilience project from the electric grid so that  
14 the project is capable of operating independently from the electric  
15 grid.

16 “SECTION 30. Grants for community-based renewable energy  
17 projects; application; standards; rules. (1) The Community-based  
18 Renewable Energy Project Grant Program is established for the pur-  
19 pose of:

20 “(a) Offsetting the cost of planning and developing community-  
21 based renewable energy projects;

22 “(b) Making community-based renewable energy projects econom-  
23 ically feasible for qualifying communities;

24 “(c) Promoting small-scale renewable energy projects; and

25 “(d) Providing direct benefits to communities across this state in  
26 the form of increased community energy resilience, local jobs, eco-  
27 nomic development or direct energy cost savings to families and small  
28 businesses.

29 “(2)(a) A public body or federally recognized Oregon Indian tribe  
30 may submit to the State Department of Energy an application for

1 grant moneys from the Community-based Renewable Energy Invest-  
2 ment Fund established under section 33 of this 2021 Act for the purpose  
3 of planning or developing a community-based renewable energy  
4 project.

5 “(b) An applicant may partner with a nonprofit entity, a private  
6 business with a business site in this state or an owner of rental prop-  
7 erty in this state, but a grant for an approved application will only be  
8 awarded and released to an applicant that is a public body or federally  
9 recognized Oregon Indian tribe. Any nonprofit entity, private business  
10 or owner of rental property that partners with the applicant must be  
11 listed in the application.

12 “(c) An application must be drafted in consultation with electric  
13 utilities that have customers in the communities covered by a  
14 community-based renewable energy project that is in the application  
15 and regional stakeholders for the purpose of ensuring feasibility.

16 “(3) An application for a grant for planning a community-based  
17 renewable energy project must be on a form prescribed by the depart-  
18 ment, contain specific elements as determined by the department by  
19 rule and demonstrate that the planning:

20 “(a) Is for a project located in this state but outside a city with a  
21 population of 500,000 or more;

22 “(b) Will be completed within six months of execution of the per-  
23 formance agreement or a reasonable time frame if good cause to ex-  
24 tend the deadline is demonstrated as determined by rule;

25 “(c) Will result in a proposal for developing a community-based  
26 renewable energy project; and

27 “(d) Incorporates feedback from:

28 “(A) Members of qualifying communities covered by the  
29 community-based renewable energy project;

30 “(B) Businesses located in the communities covered by the

1 **community-based renewable energy project;**

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

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

5 **“(4)(a) An application for a grant for developing a community-based**  
6 **renewable energy project must be on a form prescribed by the depart-**  
7 **ment and contain:**

8 **“(A) A detailed description of the project and its operation;**

9 **“(B) Information showing that the project will operate as repres-**  
10 **ented in the application and, if the project is for producing electricity,**  
11 **remain in operation for at least five years or for at least a period of**  
12 **time established by the Director of the State Department of Energy**  
13 **by rule;**

14 **“(C) The anticipated total project cost;**

15 **“(D) Information on the number and types of jobs directly con-**  
16 **nected to the awarding of the grant that will be:**

17 **“(i) Created by the project; and**

18 **“(ii) Sustained throughout construction, installation and operation**  
19 **of the project;**

20 **“(E) Information demonstrating that the project complies with ap-**  
21 **plicable state and local laws and regulations and will obtain required**  
22 **licenses and permits;**

23 **“(F) Information demonstrating that the project will be located in**  
24 **and benefit a community in this state but outside a city with a popu-**  
25 **lation of 500,000 or more; and**

26 **“(G) Any other information the director considers necessary to de-**  
27 **termine whether the project is in compliance with sections 29 to 32 of**  
28 **this 2021 Act or any applicable rules or standards adopted thereunder.**

29 **“(b) An application for developing a community-based renewable**  
30 **energy project must demonstrate that the project:**

1       “(A) Is located in this state but outside a city with a population of  
2       500,000 or more;

3       “(B) Will begin construction within 12 months of execution of the  
4       performance agreement and be completed within 36 months of exe-  
5       cution of the performance agreement or a reasonable time frame if  
6       good cause to extend the deadline is demonstrated as determined by  
7       rule;

8       “(C) Results in increased community energy resilience, local jobs,  
9       economic development or direct energy cost savings to families and  
10      small businesses;

11      “(D) Complies with applicable state and local laws and regulations  
12      and will obtain the required licenses and permits;

13      “(E) Does not exceed 20 megawatts of nameplate capacity, if the  
14      project is for generating renewable energy; and

15      “(F) Will operate for at least five years, if the project is for  
16      producing electricity, or for at least a period of time established by the  
17      director by rule.

18      “(5) Upon receipt of an application submitted under this section, the  
19      department shall review and determine whether the applicant is eligi-  
20      ble to receive a grant from the Community-based Renewable Energy  
21      Project Grant Program established under this section. The department  
22      may approve an application if the department finds that:

23      “(a) The planning or project proposal meets the requirements listed  
24      in subsection (3) or (4) of this section;

25      “(b) The proposal meets the standards described in subsection (10)  
26      of this section;

27      “(c) The proposal meets any standards adopted by rule under sub-  
28      section (11) of this section;

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

30      “(e) Any public body, private business or owner of rental property

1 **partnered with the applicant is listed in the application.**

2 **“(6)(a) The department shall issue announcements of available**  
3 **funding opportunities each calendar interval for the following catego-**  
4 **ries:**

5 **“(A) Planning a community-based renewable energy project that**  
6 **qualifies as a community energy resilience project;**

7 **“(B) Developing a community-based renewable energy project that**  
8 **qualifies as a community energy resilience project;**

9 **“(C) Planning a community-based renewable energy project that**  
10 **does not qualify as a community energy resilience project; and**

11 **“(D) Developing a community-based renewable energy project that**  
12 **does not qualify as a community energy resilience project.**

13 **“(b) The director shall determine whether an application is for a**  
14 **community-based renewable energy project that qualifies as a com-**  
15 **munity energy resilience project based on the definition of ‘community**  
16 **energy resilience project’ in section 29 of this 2021 Act and any appli-**  
17 **cable rules adopted under this section.**

18 **“(7)(a) The department shall allocate, out of the initial moneys ap-**  
19 **propriated for the Community-based Renewable Energy Project Grant**  
20 **Program under section 34 of this 2021 Act:**

21 **“(A) 50 percent or more for grants to be awarded for planning or**  
22 **developing community-based renewable energy projects that qualify**  
23 **as community energy resilience projects.**

24 **“(B) 50 percent or more for grants to be awarded for planning or**  
25 **developing community-based renewable energy projects that primarily**  
26 **serve one or more qualifying communities.**

27 **“(b) The department shall allocate, out of any subsequent and ad-**  
28 **ditional moneys appropriated to the Community-based Renewable En-**  
29 **ergy Project Grant Program, 50 percent or more for grants to be**  
30 **awarded for planning or developing community-based renewable en-**



1 **ergy projects that qualify as community energy resilience projects.**

2 **“(c) After two years of issuing announcements of available funding**  
3 **opportunities from the initial moneys appropriated to the**  
4 **Community-based Renewable Energy Project Grant Program and after**  
5 **consultation with the Advisory Committee on Community-based**  
6 **Renewable Energy Investment described in section 32 of this 2021 Act,**  
7 **the department may, by rule, reallocate the percentage of available**  
8 **grant funds among the four project categories described in subsection**  
9 **(6) of this section.**

10 **“(8) The department shall review and competitively score applica-**  
11 **tions separately for each funding opportunity announcement.**

12 **“(9) If the department approves an application under this section,**  
13 **the department and the applicant may enter into a performance**  
14 **agreement that meets the requirements set forth in section 31 of this**  
15 **2021 Act.**

16 **“(10) In approving applications and awarding grant moneys, the**  
17 **department shall prioritize planning and project proposals that:**

18 **“(a) Include community energy resilience projects.**

19 **“(b) Demonstrate significant prior investments in energy efficiency**  
20 **measures at the project location or will result in aggregate improve-**  
21 **ments to demand response capabilities.**

22 **“(c) Are for projects located in qualifying communities across the**  
23 **state.**

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

28 **“(e) Include inclusive hiring and promotion policies for workers**  
29 **working on the projects.**

30 **“(f) Incorporate equity metrics developed in coordination with the**

1 Environmental Justice Task Force established by ORS 182.538 for  
2 evaluating the involvement of and leadership by people of low income,  
3 Black, Indigenous or People of Color, members of tribal communities,  
4 people with disabilities, youth, people from rural communities and  
5 people from otherwise disadvantaged communities in the siting, plan-  
6 ning, designing or evaluating of the proposed renewable energy sys-  
7 tems.

8 “(g) Help the applicant achieve goals included in the applicant’s  
9 natural hazard mitigation plan as approved by the Federal Emergency  
10 Management Agency.

11 “(11) The department shall adopt rules, in consultation with Busi-  
12 ness Oregon, to carry out sections 29 to 32 of this 2021 Act. The rules  
13 must:

14 “(a) Define the planning costs eligible to be covered by a grant  
15 provided under section 31 (1) of this 2021 Act.

16 “(b) Adopt a methodology to identify qualifying communities and  
17 assess the geographic diversity of the approved planning and projects  
18 compared with the other planning and project applications for which  
19 grants have been requested in each opportunity announcement.

20 “(c) Establish guidelines for significant, unforeseeable or uncon-  
21 trollable delays that will constitute good cause for extending the time  
22 lines specified in a performance agreement.

23 “(12) The department may adopt rules capping the amount of grant  
24 funds that may be paid to individual consultants and contractors in  
25 each round of funding opportunity announcements if the department  
26 finds such limitations necessary to ensure broad distribution of funds  
27 and opportunity for emerging small businesses as defined in ORS  
28 200.005.

29 **SECTION 31. Performance agreements; requirements.** (1)(a) A  
30 performance agreement for planning a community-based renewable

1 energy project entered into between the State Department of Energy  
2 and an applicant under section 30 (9) of this 2021 Act must provide, at  
3 a minimum:

4 “(A) A grant in an amount described in paragraph (b) of this sub-  
5 section that covers up to 100 percent of the reasonable planning costs  
6 including, but not limited to, costs associated with:

7 “(i) Consulting fees.

8 “(ii) Load analysis.

9 “(iii) Siting, excluding property acquisition.

10 “(iv) Ensuring code compliance.

11 “(v) Interconnection studies.

12 “(vi) Transmission studies.

13 “(vii) Other reasonable expenditures made in the community-based  
14 renewable energy project planning process as determined by the de-  
15 partment by rule.

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

19 “(C)(i) Except as provided in sub-subparagraph (ii) of this subpara-  
20 graph, the department may recover grant moneys if a project fails to  
21 abide by the performance agreement.

22 “(ii) The department may not recover grant moneys where planning  
23 is not completed within the time frame specified in the performance  
24 agreement but good cause to extend the deadline is demonstrated as  
25 determined by rule.

26 “(b) The department may establish differing limits on the maximum  
27 amount of grants for planning community-based renewable energy  
28 projects based on the scope and attributes of the planning applications  
29 not to exceed an amount of \$100,000 per grant.

30 “(c) Notwithstanding paragraph (a) of this subsection, the depart-

1 **ment may provide a grant that covers 100 percent of the reasonable**  
2 **planning costs only if the application demonstrates the planning pro-**  
3 **posal is for a community-based renewable energy project that:**

4 **“(A) If for producing energy:**

5 **“(i) Will make use of an adequately available renewable energy re-**  
6 **source to produce the energy;**

7 **“(ii) Has a specific market for the energy; and**

8 **“(iii) Will reasonably and efficiently connect or transmit the energy**  
9 **to the specific community identified in the application under section**  
10 **30 (3) of this 2021 Act; or**

11 **“(B) If for increasing energy resilience:**

12 **“(i) Will increase the energy resilience of a specific structure or**  
13 **facility or collection of structures or facilities essential to the public**  
14 **welfare; and**

15 **“(ii) Will provide energy resilience benefits to the specific structure**  
16 **or facility or to the collection of structures or facilities.**

17 **“(2) A performance agreement for developing a community-based**  
18 **renewable energy project entered into between the State Department**  
19 **of Energy and an applicant under section 30 (9) of this 2021 Act must**  
20 **provide, at a minimum:**

21 **“(a) For a community-based renewable energy project that qualifies**  
22 **as a community energy resilience project, a grant that covers up to**  
23 **\$1 million of the project cost, except the grant amount will be reduced**  
24 **if the grant combined with other incentives and grants received by the**  
25 **applicant exceeds 100 percent of the total costs associated with the**  
26 **project.**

27 **“(b) For a community-based renewable energy project that does not**  
28 **qualify as a community energy resilience project, a grant that covers**  
29 **up to \$1 million of the project cost but no more than 50 percent of the**  
30 **total costs associated with the project, except the grant amount will**

1 be reduced if the grant combined with other incentives and grants re-  
2 ceived by the applicant exceeds 100 percent of the total costs associated  
3 with the project.

4 “(c) The department may release up to 30 percent of the grant  
5 moneys awarded upon entering into a performance agreement for de-  
6 veloping a community-based renewable energy project with the re-  
7 maining grant moneys to be released upon the department verifying  
8 the completion of the project and if upon entering the performance  
9 agreement the applicant demonstrates having:

10 “(A) Taken meaningful steps to seek site control, including but not  
11 limited to an option to lease or purchase the site or an executed letter  
12 of intent or exclusivity agreement to negotiate an option to lease or  
13 purchase the site;

14 “(B) Filed a request for interconnection with a host utility or ap-  
15 propriate transmission provider; and

16 “(C) Met any other requirements provided by the department by  
17 rule, such as filing a request for a power purchase or net metering  
18 agreement.

19 “(d)(A) Except as provided in subparagraph (B) of this paragraph,  
20 the department may recover grant moneys if a project fails to abide  
21 by the performance agreement.

22 “(B) The department may not recover grant moneys where a time  
23 frame specified in the performance agreement is not met but good  
24 cause to extend the deadline is demonstrated as determined by rule.

25 “(3) The department may gather information from grantees neces-  
26 sary to evaluate indicators of success as determined by rule.

27 “SECTION 32. Advisory committee. The Director of the State De-  
28 partment of Energy may appoint an Advisory Committee on  
29 Community-based Renewable Energy Investment to provide consulta-  
30 tion on the implementation of sections 29 to 32 of this 2021 Act. A

1 committee appointed under this section shall consist of:

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

3 “(2) A representative of Business Oregon;

4 “(3) A representative of electric companies;

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

6 “(5) A representative from an organization that represents  
7 community-based renewable energy development;

8 “(6) A representative from a federally recognized Oregon Indian  
9 tribe;

10 “(7) Three representatives of local government to represent the in-  
11 terests of counties, cities and special districts;

12 “(8) Representatives from nongovernmental organizations that rep-  
13 resent communities of low income or disadvantaged households; and

14 “(9) Representatives from relevant state and federal emergency  
15 management or response agencies.

16 “SECTION 33. Community-based Renewable Energy Investment  
17 Fund; uses. (1) The Community-based Renewable Energy Investment  
18 Fund is established in the State Treasury, separate and distinct from  
19 the General Fund. Interest earned by the Community-based Renewable  
20 Energy Investment Fund shall be credited to the fund. The fund  
21 consists of:

22 “(a) Moneys appropriated or otherwise transferred to the fund by  
23 the Legislative Assembly;

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

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

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

27 “(2) Moneys in the fund are continuously appropriated to the State  
28 Department of Energy for the purpose of providing grants to appli-  
29 cants approved under section 30 of this 2021 Act.

30 “(3) The department may use reasonable amounts from the fund

1 necessary, but no more than 10 percent of the fund, to administer the  
2 Community-based Renewable Energy Project Grant Program described  
3 in section 30 of this 2021 Act.

4 “(4) The Director of the State Department of Energy shall submit  
5 a biennial report to the Legislative Assembly in the manner provided  
6 by ORS 293.640 regarding the expenditures of moneys deposited in the  
7 Community-based Renewable Energy Investment Fund and status of  
8 ongoing projects funded by the moneys, including but not limited in-  
9 dicators of program success.

10 “(5) Upon the expenditure of all grant moneys in the Community-  
11 based Renewable Energy Investment Fund or four years from the ef-  
12 fective date of this 2021 Act, whichever occurs earlier, the director  
13 shall submit a report to the Legislative Assembly regarding the ex-  
14 penditures of moneys deposited in the Community-based Renewable  
15 Energy Investment Fund and status of ongoing projects that have re-  
16 ceived moneys from the fund, including but not limited to indicators  
17 of program success.

18 **“SECTION 34. Appropriations.** In addition to and not in lieu of any  
19 other appropriations, there is appropriated to the State Department  
20 of Energy, for the biennium beginning July 1, 2021, out of the General  
21 Fund, the amount of \$50,000,000 for deposit into the Community-based  
22 Renewable Energy Investment Fund established in section 33 of this  
23 2021 Act.”.

24 In line 32, delete “authority” and insert “department”.

25 In line 34, delete “authority” and insert “department”.

26 After line 34, insert:

27

28 **“COMMUNITY-BASED RENEWABLE ENERGY PROJECTS**

29

30 **“SECTION 36.** ORS 469A.210 is amended to read:

1 “469A.210. (1) The Legislative Assembly finds that community-based  
2 renewable energy projects, including but not limited to marine renewable  
3 energy resources that are either developed in accordance with the Territorial  
4 Sea Plan adopted pursuant to ORS 196.471 or located on structures adjacent  
5 to the coastal shorelands, are an essential element of this state’s energy fu-  
6 ture.

7 “(2) For purposes related to the findings in subsection (1) of this section,  
8 by the year [2025] **2030**, at least [*eight*] **10** percent of the aggregate electrical  
9 capacity of all electric companies that make sales of electricity to 25,000 or  
10 more retail electricity consumers in this state must be composed of electric-  
11 ity generated by one or both of the following sources:

12 “(a) Small-scale renewable energy projects with a generating capacity of  
13 20 megawatts or less that generate electricity utilizing a type of energy de-  
14 scribed in ORS 469A.025; or

15 “(b) Facilities that generate electricity using biomass that also generate  
16 thermal energy for a secondary purpose.

17 “(3) Regardless of the facility’s nameplate capacity, any single facility  
18 described in subsection (2)(b) of this section may be used to comply with the  
19 requirement specified in subsection (2) of this section for up to 20 megawatts  
20 of capacity.”.

21 In line 38, delete “36” and insert “37”.

22 In line 41, delete “37” and insert “38”.

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