

SENATE AMENDMENTS TO SENATE BILL 1525

By COMMITTEE ON ENERGY AND ENVIRONMENT

February 19

1 On page 1 of the printed bill, line 2, delete “and” and insert a comma.

2 In line 3, after “468A.195” insert “and 469.320”.

3 After line 5, insert:

4
5 **“NATURAL AND WORKING LANDS”.**

6
7 On page 3, after line 5, insert:

8
9 **“ENERGY SECURITY PLAN”.**

10
11 Delete lines 11 through 45 and delete pages 4 and 5 and insert:

“COMMUNITY RENEWABLE INVESTMENT PROGRAM

14
15 **“SECTION 7.** Section 29, chapter 508, Oregon Laws 2021, is amended to read:

16 **“Sec. 29.** As used in sections 29 to 32, **chapter 508, Oregon Laws 2021** *[of this 2021 Act]*:

17 “(1) ‘Community renewable energy project’ means one or more renewable energy systems, stor-
18 age systems, microgrids or energy-related infrastructures that promote energy resilience, increase
19 renewable energy generation or renewable energy storage capacity and provide a direct benefit to
20 a particular community in the form of increased community energy resilience, local jobs, economic
21 development or direct energy costs savings to families and small businesses.

22 “(2) ‘Community energy resilience’ means the ability of a specific community to maintain the
23 availability of energy needed to support the provision of energy-dependent critical public services
24 to the community following nonroutine disruptions of severe impact or duration to the state’s
25 broader energy systems.

26 “(3) ‘Community energy resilience project’ means a community renewable energy project that
27 includes utilizing one or more renewable energy systems to support the energy resilience of struc-
28 tures or facilities that are essential to the public welfare.

29 “(4) ‘Consumer-owned utility’ means a municipal electricity utility, a people’s utility district or-
30 ganized under ORS chapter 261 that sells electricity or an electric cooperative organized under ORS
31 chapter 62.

32 **“(5) ‘Electric cooperative organized under ORS chapter 62’ includes an electric cooper-**
33 **ative organized under ORS chapter 62 that is operating in this state and formed for one or**
34 **both of the following purposes:**

35 **“(a) To generate, purchase or obtain electric power, energy, transmission services or**

1 ancillary services; or

2 “(b) To represent one or more consumer-owned utilities in meeting rural, environmental
3 or renewable energy requirements and mandates.

4 “[5] (6) ‘Energy resilience’ means the ability of energy systems, from production through de-
5 livery to end-users, to withstand and restore energy delivery rapidly following nonroutine dis-
6 ruptions of severe impact or duration.

7 “[6] (7) ‘Planning costs’ means the costs related to planning paid by an applicant, or an
8 applicant’s partner, described under section 30, chapter 508, Oregon Laws 2021 [of this 2021
9 Act].

10 “[7] (8) ‘Project cost’ means the actual cost of the acquisition, construction and installation
11 of a renewable energy system incurred by an applicant, or an applicant’s partner, described under
12 section 30, chapter 508, Oregon Laws 2021, [of this 2021 Act] for the system, before considering
13 utility incentives.

14 “[8] (9) ‘Public body’ means a public body as defined in ORS 174.109.

15 “[9] (10) ‘Qualifying community’ means a community that qualifies as an environmental justice
16 community as defined in ORS 469A.400 [section 1 of this 2021 Act].

17 “[10] (11) ‘Renewable energy system’ includes:

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

20 “(b) One or more energy storage systems paired with an existing or newly constructed system
21 described in paragraph (a) of this subsection.

22 “(c) One or more vehicle charging stations paired with an existing or newly constructed system
23 described in paragraph (a) of this subsection.

24 “(d) Microgrid enabling technologies, including microgrid controllers and any other related
25 technologies needed to electrically isolate a community energy resilience project from the electric
26 grid so that the project is capable of operating independently from the electric grid.

27 “SECTION 8. Section 31, chapter 508, Oregon Laws 2021, is amended to read:

28 “Sec. 31. (1)(a) A performance agreement for planning a community renewable energy project
29 entered into between the State Department of Energy and an applicant under section 30 (9), chapter
30 508, Oregon Laws 2021, [of this 2021 Act] must provide, at a minimum:

31 “(A) A grant in an amount described in paragraph (b) of this subsection that covers up to 100
32 percent of the reasonable planning costs including, but not limited to, costs associated with:

33 “(i) Consulting fees.

34 “(ii) Load analysis.

35 “(iii) Siting, excluding property acquisition.

36 “(iv) Ensuring code compliance.

37 “(v) Interconnection studies.

38 “(vi) Transmission studies.

39 “(vii) Other reasonable expenditures made in the community renewable energy project planning
40 process as determined by the department by rule.

41 “(B) A grant may not be used to cover any fixed costs the applicant would incur in the
42 applicant’s normal course of business such as existing staff salaries or overhead costs.

43 “(C) The department may recover grant moneys if a project fails to abide by the performance
44 agreement or if planning is not completed within six months of execution of the performance
45 agreement or a reasonable time frame if good cause to extend the deadline is demonstrated as de-

1 terminated by rule.

2 “(b) The department may establish differing limits on the maximum amount of grants for plan-
3 ning community renewable energy projects based on the scope and attributes of the planning appli-
4 cations not to exceed an amount of \$100,000 per grant.

5 “(c) Notwithstanding paragraph (a) of this subsection, the department may provide a grant that
6 covers up to 100 percent of the reasonable planning costs only if the application demonstrates the
7 planning proposal is for a community renewable energy project that:

8 “(A) If for producing energy:

9 “(i) Will make use of an adequately available renewable energy resource to produce the energy;

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

11 “(iii) Will reasonably and efficiently connect or transmit the energy to the specific community
12 identified in the application under section 30 (3), **chapter 508, Oregon Laws 2021** [*of this 2021*
13 *Act*]; or

14 “(B) If for increasing energy resilience:

15 “(i) Will increase the energy resilience of a specific structure or facility or collection of struc-
16 tures or facilities essential to the public welfare; and

17 “(ii) Will provide energy resilience benefits to the specific structure or facility or to the col-
18 lection of structures or facilities.

19 “(2) A performance agreement for developing a community renewable energy project entered
20 into between the State Department of Energy and an applicant under section 30 (9), **chapter 508,**
21 **Oregon Laws 2021,** [*of this 2021 Act*] must provide, at a minimum:

22 “(a) For a community renewable energy project that qualifies as a community energy resilience
23 project, a grant that covers up to 100 percent of the project cost not to exceed \$1 million. The de-
24 partment shall reduce the grant amount, if the grant combined with other incentives and grants
25 received by the applicant **or a partner of the applicant** exceeds 100 percent of the total costs as-
26 sociated with the project.

27 “(b) For a community renewable energy project that does not qualify as a community energy
28 resilience project, a grant that covers up to 50 percent of the project cost not to exceed \$1 million.
29 The department shall reduce the grant amount, if the grant combined with other incentives and
30 grants received by the applicant **or a partner of the applicant** exceeds 100 percent of the total
31 costs associated with the project.

32 “(c) **Subject to paragraph (e) of this subsection,** the department may release up to 30 percent
33 of the grant moneys provided for in a performance agreement[, *not to exceed 30 percent of project*
34 *cost,*] upon entering into a performance agreement with an applicant for developing a community
35 renewable energy project, [*with the remaining grant moneys to be released upon project completion*
36 *under the terms of the performance agreement,*] if upon entering the performance agreement the ap-
37 plicant demonstrates **that the applicant or a partner of the applicant has** [*having*]:

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

41 “(B) Filed a request for interconnection with a host utility or appropriate transmission provider;
42 and

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

45 “(d) **Subject to paragraph (e) of this subsection, in addition to grant moneys released**

1 under paragraph (c) of this subsection, the department may release up to 30 percent of the
2 grant moneys provided for in a performance agreement if the applicant demonstrates that
3 the applicant or a partner of the applicant has met the requirements of paragraph (c) of this
4 subsection and any additional requirements for the release of grant funds under this para-
5 graph provided by the department by rule, such as demonstrating eligible costs incurred for
6 the acquisition or construction of a community renewable energy project.

7 “(e) The amount of grant moneys released pursuant to paragraph (c) or (d) of this sub-
8 section may not exceed, for each release of grant moneys:

9 “(A) Thirty percent of project cost for community renewable energy projects that qualify
10 as community energy resilience projects; and

11 “(B) Fifteen percent of project cost for community renewable energy projects that do not
12 qualify as community energy resilience projects.

13 “(f) Grant moneys not released under paragraph (c) or (d) of this subsection shall be re-
14 leased upon project completion under the terms of the performance agreement.

15 “[*(d)*] (g) The department may recover grant moneys if:

16 “(A) The project fails to abide by the performance agreement;

17 “(B) The project fails to begin construction within 12 months of execution of the performance
18 agreement or a reasonable time frame if good cause to extend the deadline is demonstrated as de-
19 termined by rule; or

20 “(C) The project is not completed within 36 months of execution of the performance agreement
21 or a reasonable time frame if good cause to extend the deadline is demonstrated as determined by
22 rule.

23 “(3) The department shall gather information from grantees necessary to evaluate indicators of
24 success as determined by rule.

25 “STANDBY GENERATION FACILITIES

26
27
28 “**SECTION 9.** ORS 469.320 is amended to read:

29 “469.320. (1) Except as provided in subsections (2) and (5) of this section, no facility shall be
30 constructed or expanded unless a site certificate has been issued for the site thereof in the manner
31 provided in ORS 469.300 to 469.563, 469.590 to 469.619, 469.930 and 469.992. No facility shall be
32 constructed or operated except in conformity with the requirements of ORS 469.300 to 469.563,
33 469.590 to 469.619, 469.930 and 469.992.

34 “(2) A site certificate is not required for:

35 “(a) An energy facility for which no site certificate has been issued that, on August 2, 1993, had
36 operable electric generating equipment for a modification that uses the same fuel type and increases
37 electric generating capacity, if:

38 “(A) The site is not enlarged; and

39 “(B) The ability of the energy facility to use fuel for electricity production under peak steady
40 state operating conditions is not more than 200 million Btu per hour greater than it was on August
41 2, 1993, or the energy facility expansion is called for in the short-term plan of action of an energy
42 resource plan that has been acknowledged by the Public Utility Commission of Oregon.

43 “(b) Construction or expansion of any interstate natural gas pipeline or associated underground
44 natural gas storage facility authorized by and subject to the continuing regulation of the Federal
45 Energy Regulatory Commission or successor agency.

1 “(c) An energy facility, except coal and nuclear power plants, if the energy facility:
2 “(A) Sequentially produces electrical energy and useful thermal energy from the same fuel
3 source; and
4 “(B) Under average annual operating conditions, has a nominal electric generating capacity:
5 “(i) Of less than 50 megawatts and the fuel chargeable to power heat rate value is not greater
6 than 6,000 Btu per kilowatt hour;
7 “(ii) Of 50 megawatts or more and the fuel chargeable to power heat rate value is not greater
8 than 5,500 Btu per kilowatt hour; or
9 “(iii) Specified by the Energy Facility Siting Council by rule based on the council’s determi-
10 nation relating to emissions of the energy facility.
11 “(d) Temporary storage, at the site of a nuclear-fueled thermal power plant for which a site
12 certificate has been issued by the State of Oregon, of radioactive waste from the plant.
13 “(e) An energy facility as defined in ORS 469.300 (11)(a)(G), if the plant also produces a sec-
14 ondary fuel used on site for the production of heat or electricity, if the output of the primary fuel
15 is less than six billion Btu of heat a day.
16 “(f) An energy facility as defined in ORS 469.300 (11)(a)(G), if the facility:
17 “(A) Exclusively uses biomass, including but not limited to grain, whey, potatoes, oilseeds, waste
18 vegetable oil or cellulosic biomass, as the source of material for conversion to a liquid fuel;
19 “(B) Has received local land use approval under the applicable acknowledged comprehensive
20 plan and land use regulations of the affected local government and the facility complies with any
21 statewide planning goals or rules of the Land Conservation and Development Commission that are
22 directly applicable to the facility;
23 “(C) Requires no new electric transmission lines or gas or petroleum product pipelines that
24 would require a site certificate under subsection (1) of this section;
25 “(D) Produces synthetic fuel, at least 90 percent of which is used in an industrial or refueling
26 facility located within one mile of the facility or is transported from the facility by rail or barge;
27 and
28 “(E) Emits less than 118 pounds of carbon dioxide per million Btu from fossil fuel used for con-
29 version energy.
30 “(g) A standby generation facility, if the facility complies with all of the following:
31 “(A) The facility has received local land use approval under the applicable acknowledged com-
32 prehensive plan and land use regulations of the affected local government and the facility complies
33 with all statewide planning goals and applicable rules of the Land Conservation and Development
34 Commission;
35 “(B) The standby generators have been approved by the Department of Environmental Quality
36 as having complied with all applicable air and water quality requirements. For an applicant that
37 proposes to provide the physical facilities for the installation of standby generators, the requirement
38 of this subparagraph may be met by agreeing to require such a term in the lease contract for the
39 facility; and
40 “(C) The standby generators are:
41 “(i) Electrically incapable of being interconnected to the transmission grid. For an applicant
42 that proposes to provide the physical facilities for the installation of standby generators **under this**
43 **sub-subparagraph**, the requirement of this [subparagraph] **sub-subparagraph** may be met by
44 agreeing to require such a term in the lease contract for the facility; **or**
45 “(ii) **Electrically capable of being interconnected to the grid but are dispatched to the grid**

1 **by a local transmission and distribution grid operator or balancing authority to support grid**
2 **reliability, are operated consistent with 40 C.F.R. 63.6640(f), as in effect on the effective date**
3 **of this 2024 Act, and are exclusively using renewable fuels, including renewable diesel,**
4 **renewable natural gas or renewable hydrogen, if such fuels are available and if their use does**
5 **not violate the warranty or certification of the generator.**

6 “(3) The Energy Facility Siting Council may review and, if necessary, revise the fuel chargeable
7 to power heat rate value set forth in subsection (2)(c)(B) of this section. In making its determination,
8 the council shall ensure that the fuel chargeable to power heat rate value for facilities set forth in
9 subsection (2)(c)(B) of this section remains significantly lower than the fuel chargeable to power
10 heat rate value for the best available, commercially viable thermal power plant technology at the
11 time of the revision.

12 “(4)(a)(A) Any person who proposes to construct or enlarge an energy facility and who claims
13 an exemption under subsection (2)(a), (c) or (f) of this section from the requirement to obtain a site
14 certificate shall request the Energy Facility Siting Council to determine whether the proposed fa-
15 cility qualifies for the claimed exemption.

16 “(B) The council may not require a person who operates or proposes to construct or enlarge an
17 energy facility to request that the council determine whether the proposed facility qualifies for ex-
18 emption under subsection (2)(g) of this section.

19 “(b) The council shall make its determination within 60 days after the request for exemption is
20 filed. An appeal from the council’s determination on a request for exemption shall be made under
21 ORS 469.403, except that the scope of review by the Supreme Court shall be the same as a review
22 by a circuit court under ORS 183.484. The record on review by the Supreme Court shall be the re-
23 cord established in the council proceeding on the exemption.

24 “(5) Notwithstanding subsection (1) of this section, a separate site certificate shall not be re-
25 quired for:

26 “(a) Transmission lines, storage facilities, pipelines or similar related or supporting facilities, if
27 such related or supporting facilities are addressed in and are subject to a site certificate for another
28 energy facility;

29 “(b) Expansion within the site or within the energy generation area of a facility for which a site
30 certificate has been issued, if the existing site certificate has been amended to authorize expansion;
31 or

32 “(c) Expansion, either within the site or outside the site, of an existing council certified surface
33 facility related to an underground gas storage reservoir, if the existing site certificate is amended
34 to authorize expansion.

35 “(6) If the substantial loss of the steam host causes a facility exempt under subsection (2)(c) of
36 this section to substantially fail to meet the exemption requirements under subsection (2)(c) of this
37 section, the electric generating facility shall cease to operate one year after the substantial loss of
38 the steam host unless an application for a site certificate has been filed in accordance with the
39 provisions of ORS 469.300 to 469.563.

40 “(7) As used in this section:

41 “(a) ‘Standby generation facility’ means an electric power generating facility, including standby
42 generators and the physical structures necessary to install and connect standby generators, that
43 provides temporary electric power:

44 “(A) In the event of a power outage and that is electrically incapable of being interconnected
45 with the transmission grid; **or**

1 **“(B) Consistent with 40 C.F.R. 63.6640(f), as in effect on the effective date of this 2024**
2 **Act.**

3 “(b) ‘Total energy output’ means the sum of useful thermal energy output and useful electrical
4 energy output.

5 “(c) ‘Useful thermal energy’ means the verifiable thermal energy used in any viable industrial
6 or commercial process, heating or cooling application.

7 “(8)(a) If the developer of a facility elects, or the governing body of the local government after
8 consulting with the developer elects, to defer regulatory authority to the Energy Facility Siting
9 Council, the developer of a facility shall obtain a site certificate, in the manner provided in ORS
10 469.300 to 469.563, 469.590 to 469.619, 469.930 and 469.992, for a facility that, notwithstanding the
11 definition of ‘energy facility’ in ORS 469.300, is:

12 “(A) An electric power generating plant with an average electric generating capacity of less
13 than 50 megawatts produced from wind energy at a single energy facility or within a single energy
14 generation area;

15 “(B) An associated transmission line; or

16 “(C) A solar photovoltaic power generation facility that is not an energy facility as defined in
17 ORS 469.300 (11)(a)(D).

18 “(b) An election by a developer or a local government under this subsection is final.

19 “(c) An election by a local government under this subsection is not a land use decision as de-
20 fined in ORS 197.015.

21 “(d) A local government may not make an election under this subsection after a permit appli-
22 cation has been submitted under ORS 215.416 or 227.175.

23 **“SECTION 10. Section 11 of this 2024 Act is added to and made a part of ORS 469.010 to**
24 **469.155.**

25 **“SECTION 11. (1) A public utility, as defined in ORS 757.005, that operates a dispatchable**
26 **standby generation program to support grid reliability shall, no later than June 1 of each**
27 **year, report to the Director of the State Department of Energy the following information**
28 **related to the operation of generators in the program in the previous calendar year:**

29 “(a) The aggregated number and nameplate capacity of the generators;

30 “(b) The total and average hours of operation of the generators;

31 “(c) The aggregated amounts of fuels, by type, used annually;

32 “(d) The availability of renewable fuels in the regional market for standby generators in
33 the program; and

34 “(e) Compliance with ORS 469.320 (2)(g)(C)(ii).

35 “(2) Within 30 days of receiving the information reported under subsection (1) of this
36 section, the director shall cause the information to be posted on a publicly available website.

37
38 **“HEAT PUMP GRANTS AND REBATES**

39
40 **“SECTION 12. (1) Notwithstanding ORS 469B.466, moneys in the Heat Pump Deployment**
41 **Fund on July 1, 2024, that have been allocated by the State Department of Energy for the**
42 **purpose of awarding grants under ORS 469B.460 but have not been awarded as a grant are**
43 **transferred to the Residential Heat Pump Fund established under section 21, chapter 86,**
44 **Oregon Laws 2022, to be expended for the purposes described in that section and subsection**
45 **(2) of this section.**

1 “(2)(a) Moneys transferred under subsection (1) of this section shall be expended for the
2 purpose of providing grants and rebates under sections 19 and 20, chapter 86, Oregon Laws
3 2022, and associated administrative costs and expenses, in regions and for members of
4 federally recognized Indian tribes for which no eligible entity has been awarded a grant under
5 ORS 469B.460.

6 “(b) The department shall allocate an amount for each region or federally recognized
7 Indian tribe described in this subsection that is equal to the amount previously allocated by
8 the department for that region or tribe under ORS 469B.460.

9

10 “CAPTIONS

11

12 “SECTION 13. The unit captions used in this 2024 Act are provided only for the conven-
13 ience of the reader and do not become part of the statutory law of this state or express any
14 legislative intent in the enactment of this 2024 Act.

15

16 “EFFECTIVE DATE

17

18 “SECTION 14. This 2024 Act being necessary for the immediate preservation of the public
19 peace, health and safety, an emergency is declared to exist, and this 2024 Act takes effect
20 on its passage.”

21
