

## **SB 634 STAFF MEASURE SUMMARY**

### **Senate Committee On Energy and Environment**

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**Meeting Dates:** 3/17

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

Expands the type of electricity that can be used to comply with renewable portfolio standard (RPS) to include hydroelectric facility or any other equipment that generates electricity through the use of hydroelectric energy. Removes existing language related to hydropower that limited compliance with RPS to energy generated from hydroelectric facilities attributable to efficiency upgrades made after 1995 or from facilities certified as low-impact hydroelectric after 1995. Declares emergency, effective on passage.

Fiscal impact: (info)

Revenue impact: (info)

#### **ISSUES DISCUSSED:**

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

No amendment.

#### **BACKGROUND:**

In 2007, the Oregon Legislative Assembly established the Renewable Portfolio Standard (RPS) to support the development of renewable energy, reduce dependence on fossil fuels for electricity, and increase the use of renewable energy by utilities. In 2011, Senate Bill 838 required certain large utilities to gradually increase their use of qualifying renewable energy sources, reaching 25% by 2025. In 2016, Senate Bill 1547 raised this requirement to at least 27% by 2025 and at least 50% by 2040. Small utilities must meet a minimum of 5% renewable energy usage starting in 2025.

To qualify as a renewable energy source under the RPS, utilities, electricity service providers, or facility owners must register their renewable energy facilities with the Western Renewable Energy Generation Information System (WREGIS). WREGIS issues Renewable Energy Certificates (RECs) for Oregon-certified facilities, granting one REC for each megawatt-hour (MWh) of qualifying renewable energy delivered to the grid. Utilities and electricity service providers comply with the RPS by acquiring and retiring RECs and must report their compliance annually. Eligible renewable energy sources include wind, solar (photovoltaic and thermal), wave, tidal, ocean thermal, geothermal, certain biomass products (such as woody biomass and animal manure), landfill gas and other biogases, small hydropower, and thermal energy.

Most hydropower from dams built before 1995 do not qualify for RPS credit, according to the Oregon Department of Energy. However, exceptions include energy generated from efficiency upgrades made after 1995 or from facilities certified as low-impact hydroelectric after 1995. Additionally, a utility's RPS obligation may be adjusted based on the amount of hydropower it receives.