HB 3540 -1 STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

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Meeting Dates: 4/3

WHAT THE MEASURE DOES:

The measure provides for a single limit on the cost of compliance for an electric utility that is required to comply with a renewable portfolio standard and the statutory clean energy targets. The Act applies to compliance years beginning on or after the effective date of the Act.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 The amendment clarifies language in measure by adding "requirements of" statutes must be met.

- *FISCAL: May have fiscal impact, but no statement issued yet*
- *REVENUE: May have revenue impact, but no statement issued yet*

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 hydroelectric power, and thermal energy.