

HB 3868 STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/27, 4/3, 4/8

WHAT THE MEASURE DOES:

The measure requires the Oregon Department of Energy to conduct a study on small-scale renewable energy projects and report on findings by September 15, 2026. Sunsets study and reporting requirements on January 2, 2027.

Detailed summary:

Requires the Oregon Department of Energy to (ODOE) conduct a study to: quantify and compare certain costs; further examine and develop the findings on the costs of small-scale renewable energy projects developed by a previous work group; and analyze the accuracy of avoided cost schedules over time comparing the avoided costs under contract terms with the costs actually paid under the contracts. Requires ODOE to submit a report to the interim committees of the Legislative Assembly related to energy no later than September 15, 2026. Sunsets study and reporting requirements on January 2, 2027.

- *FISCAL: Fiscal impact statement issued*
- *REVENUE: No revenue impact*

ISSUES DISCUSSED:

- Provisions of measure
- Avoided costs for acquiring renewable energy
- Current dockets at the Oregon Public Utility Commission on avoided costs for acquiring renewable energy

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Public Utility Regulatory Policies Act of 1978 (PURPA) required the Federal Energy Regulatory Commission to adopt regulations for electric utilities to offer to purchase power from, and interconnect with, qualifying, non-utility energy generation projects. A “qualifying facility” is defined as a cogeneration facility or a small power production facility (Oregon Revised Statute 758.505). According to the Oregon Department of Energy, a small power production facility generates 80 megawatts of electricity or less from renewable energy sources such as hydropower, wind, or solar.

House Bill 2021 (2021) required the ODOE to convene a work group to examine opportunities to encourage development of small-scale and community-based renewable energy projects in Oregon that contribute to economic development and local energy resiliency. ODOE delivered the report to the Legislative Assembly in September, 2022.