HB 3336 -2, -4 STAFF MEASURE SUMMARY

Senate Committee On Energy and Environment

Prepared By: Beth Reiley, LPRO Analyst
Meeting Dates: 5/12, 5/19

WHAT THE MEASURE DOES:

The measure requires electric companies, when filing a resource or grid investment plan with the Oregon Public Utility Commission (PUC) proposing additions, improvements, or modifications to an electric transmission system, to conduct an analysis to determine the cost-effectiveness and timetable of multiple strategies, including strategies that use grid enhancing technologies to increase electricity transmission capacity in Oregon. It also requires electric companies to file a strategic plan for using grid enhancing technologies where doing so is cost-effective.

Detailed summary:

Defines "electric company" as an electric company that owns and operates an electric transmission system and sells more than two million megawatt hours of electricity in a calendar year to retail electricity consumers in this state, but does not include a consumer-owned utility. Defines "grid enhancing technology" as any hardware or software technology that enhances the performance or improves performance efficiency of an electric transmission system including, but not limited to, dynamic line rating, advanced power flow control technology, topology optimization, advanced reconductoring, flexible alternating current transmission systems, or energy storage when used as a transmission resource.

Declares legislative policy. Requires electric companies, when filing a **resource or grid investment plan** with the Oregon Public Utility Commission (OPUC) proposing additions, improvements, or modifications to an electric transmission system, to conduct an analysis to determine the cost-effectiveness and timetable of multiple strategies, including strategies that use grid enhancing technologies, to

- increase electricity transmission capacity
- increase electricity transmission reliability
- reduce electricity transmission system congestion
- reduce curtailment of renewable and non-emitting energy resources
- increase capacity to connect new renewable and non-emitting energy resources, and
- reduce risk of wildfires, consistent with the electric company's wildfire protection plan.

Requires electric companies to file and include, as part of the electric company's clean energy plan and the electric company's integrated resource plan filed with OPUC on or after the effective date of this Act, a separate section that provides a **strategic plan for using grid enhancing technologies** where doing so is cost-effective. Requires electric companies to update the strategic plan every two years and make the strategic plan publicly available. Requires an electric company's first filed strategic plan to be carried out no later than January 1, 2030. Takes effect on the 91st day following adjournment sine die.

- Minimal Fiscal Impact
- No Revenue Impact
- Ayes, 41; Nays, 13

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 The amendment modifies timing requirements an electric company's strategic plan for using grid enhancing technologies. The Amendment also establishes a process for a local government to make a decision on an application to upgrade an existing transmission line with grid enhancing technologies with certain limitations.

Detailed summary:

Adjusts the requirement for submitting a strategic plan (Plan) for using grid enhancing technologies to require Plans to be submitted concurrent with the development of each integrated resource plan rather than every two years. Clarifies that an electric company's first strategic plan identifies both short term actions that can be carried out no later than January 1, 2030, and longer-term actions.

Establishes that a decision on an application for an upgraded to an existing transmission line be made by local government with jurisdiction over the transmission line, provided that the upgrade is:

- sited entirely within the existing right-of-way or private easement;
- entails only deployment, construction or instillation of grid enhancing technologies;
- does not expand the footprint of transmission lines if sited within certain areas;
- and does not include adding additional transmission lines or substations; or upgrades to substation or transformer unless within existing footprint.

Stipulates decision on application: may be subject only to clear and objective standards, conditions and procedures; conditioned upon obtaining necessary approvals; is not a land use decision; may not be subject to public hearing; and may not be appealed except by writ of review.

Stipulates process in Act does not apply to any upgrade to a transmission line for which an application was filed on or before effective date of Act.

-4 The amendment modifies timing requirements an electric company's strategic plan for using grid enhancing technologies. The Amendment also establishes a process for a local government to make a decision on an application to upgrade an existing transmission line with grid enhancing technologies with certain limitations.

Detailed Summary:

Expands the stated **policy of the state** to include that electric companies reduce wildfire risk. Modifies requirement that that electric company electric company conduct **analysis** of alternatives to determine the cost-effectiveness and timetable of multiple strategies and eliminates purpose of reducing risk of wildfires consistent with comprehensive wildfire plan.

Adjusts the requirement for submitting a **strategic plan** (Plan) for using grid enhancing technologies to require Plans to be submitted concurrent with the development of each integrated resource plan rather than every two years. Clarifies that an electric company's first strategic plan identifies both short term actions that can be carried out no later than January 1, 2030, and longer-term actions.

Establishes that a **decision** on an application for an upgraded to an existing transmission line be made by local government with jurisdiction over the transmission line, provided that the upgrade is:

- sited entirely within the existing right-of-way or private easement;
- entails only deployment, construction or instillation of grid enhancing technologies and associated modifications as required to meet national electrical safety standards;
- does not expand the footprint of transmission lines if sited within certain areas;
- and does not include adding additional transmission lines or substations; or modifications to substation or transformer unless within existing footprint.

Stipulates decision on application: may be subject only to clear and objective standards, conditions and procedures; conditioned upon obtaining necessary approvals; is not a land use decision; may not be subject to

public hearing; and may not be appealed except by writ of review.

Stipulates process in Act does not apply to any upgrade to a transmission line for which an application was filed on or before effective date of Act. Takes effect on the 91st day following adjournment sine die.

BACKGROUND:

The need to build more electric transmission lines in Oregon has increased as energy demand and the need to transport more energy to existing and new uses have also increased. According to a 2023 report by the Federal Energy Regulatory Commission (FERC) only 251 miles of high-voltage electricity transmission lines across the country were completed in 2023.

Instead of building new electric transmission lines, utilities can use grid enhancing technologies (GETs) to expand the capacity of the existing lines and improve their performance, capacity, and reliability. Example GETs include **dynamic line rating**, which adjusts power flows in real time based on local weather conditions (such as wind and temperature) to increase the line's capacity; **power flow controllers** that actively manage power flows along specified paths to balance load, improve resiliency, and reduce renewable energy curtailment; and **topology optimization**, which uses software to reconfigure grid circuits, directing electricity around congested lines, improving reliability, and minimizing outages.

A workgroup met during the 2023–24 legislative interim to discuss electric transmission issues and draft potential bill language on related topics.