

HB 2566 A STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

Action Date: 03/20/25

Action: Do pass with amendments and be referred to Ways and Means. (Printed A-Eng.)

Vote: 9-1-2-0

Yeas: 9 - Andersen, Edwards, Helm, Lively, Marsh, Neron, Osborne, Owens, Wallan

Nays: 1 - Gamba

Exc: 2 - Levy B, Levy E

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 2/11, 3/20

WHAT THE MEASURE DOES:

Broadens allowable proposed community renewable energy grant program-funded projects—and consultation requirements—that federally recognized Oregon Indian Tribes, public bodies, or consumer-owned utilities can submit to the Oregon Department of Energy (ODOE) to include stand-alone energy resilience projects.

Detailed summary:

SECTION 1

Expands “project cost” definition. Adds definition of “stand-alone energy resilience project.”

SECTION 2

Renames the “Community Renewable Investment Program” as the “Community Renewable and Resilient Energy Grant Program” (Grant Program). Expands the purpose of the Grant Program to include offsetting the cost of developing stand-alone energy resilience projects. Broadens allowable proposed grant-funded projects—and consultation requirements—that federally recognized Oregon Indian Tribes, public bodies, or consumer-owned utilities can submit to the Oregon Department of Energy (ODOE) to include stand-alone energy resilience projects. Establishes application requirements for stand-alone energy resilience projects. Allows ODOE to adopt rules for certain aspects of the stand-alone energy resilience projects. Allows systems, technologies, equipment, or measures associated with a distribution system to be eligible to be considered as part of a stand-alone energy resilience project. Prohibits rules adopted from allowing, as part of a stand-alone energy resilience project, the construction, installation, or repair of an energy generation system that is not a renewable energy system. Specifies that a certain percentage of grants can be awarded to developing stand-alone energy resilience projects that primarily serve one or more qualifying communities. Modifies the percentages of grant funding required to be awarded for certain projects.

SECTION 3

Requires stand-alone energy resilience project performance agreements between ODOE and applicant and stipulates that a grant that covers up to 50 percent of the project cost not to exceed \$250,000. Provides guidelines for release of grant moneys for stand-alone energy resilience projects.

SECTION 4

Updates name of ODOE advisory committee from “Advisory Committee on Community Renewable Investment” to “Advisory Committee on Community Renewable and Resilient Energy Investments.”

SECTION 5

Renames the “Community Renewable Investment Fund” as the “Community Renewable and Resilient Energy Investment Fund.” Updates reporting requirements regarding the expenditures of moneys deposited in the Community Renewable and Resilient Energy Investment Fund.

ISSUES DISCUSSED:

- Differences between energy reliability and resilience
- Federal funding match opportunities
- Examples of funded renewable energy projects
- Challenges to interconnection with the energy grid

EFFECT OF AMENDMENT:

The amendment specifies what ODOE, when adopting rules, can allow and not allow for stand-alone energy resilience projects, and that a certain percentage of grants can be awarded to developing stand-alone energy resilience projects that primarily serve one or more qualifying communities. It modifies the percentages of grant funding required to be awarded for certain projects.

Detailed summary:

Allows systems, technologies, equipment, or measures associated with a distribution system to be eligible to be considered as part of a stand-alone energy resilience project. Prohibits rules adopted from allowing, as part of a stand-alone energy resilience project, the construction, installation, or repair of an energy generation system that is not a renewable energy system. Specifies that a certain percentage of grants can be awarded to developing stand-alone energy resilience projects that primarily serve one or more qualifying communities. Modifies the percentages of grant funding required to be awarded for certain projects.

BACKGROUND:

The Community Renewable Investment Fund (House Bill 2021, 2021) received \$50 million to be used by the Oregon Department of Energy (ODOE) to provide grants for planning and developing community renewable energy and energy resilience projects (known as the Community Renewable Energy Grant Program [C-REP]). In 2023, the program was provided another \$20 million by the Legislative Assembly.

ODOE’s 2024 C-REP report indicates that the grant program has surpassed the requirements that a minimum of 50 percent of program funds must be awarded to environmental justice community projects (a total of 93.6 percent of funds have gone toward these communities), and that at least 50 percent of funds be reserved for planning or construction of projects that support energy resilience through renewable energy systems (66 percent of funds have gone toward those types of projects).