

House Bill 3628

Sponsored by Representative GAMBIA; Representatives HELM, WRIGHT, Senators GOLDEN, PHAM K, SOLLMAN

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Creates a public body to fund, build, upgrade, own and carry out transmission projects. (Flesch Readability Score: 65.7).

Establishes the Oregon Electric Transmission Authority as an independent public corporation. Provides that the authority shall support the expansion of electric transmission capacity in this state by financing, developing, constructing, upgrading, owning and operating electric transmission infrastructure. Directs the authority to identify and establish electric transmission corridors with statewide significance. Authorizes the authority to finance transmission projects by issuing revenue bonds and collecting payments from the users of the authority's transmission facilities.

Establishes the Tribal Advisory Council on Electric Transmission.

Directs the authority to submit an annual report to the interim committees or committees of the Legislative Assembly related to energy on the authority's activities and operations for the preceding year.

Limits the authority's annual operating budget to no more than \$2 million. Provides for the collection of a nonbypassable charge from large industrial electricity customers to fund the authority's operating budget.

Sunset January 2, 2032. Requires the State Department of Energy to conduct a review of the authority and submit a report to the committees or interim committees of the Legislative Assembly related to energy for the Legislative Assembly's consideration to extend the sunset date.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the Oregon Electric Transmission Authority; creating new provisions; amending ORS
3 287A.001; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Oregon Electric Transmission Authority established. The Oregon Electric**
6 **Transmission Authority is established as an independent public corporation with statewide**
7 **purposes and without territorial boundaries. The authority shall exercise and carry out all**
8 **powers, rights and privileges that are expressly conferred upon it, are implied by law or are**
9 **incident to such powers, rights and privileges. The authority shall be a governmental entity**
10 **performing governmental functions and exercising governmental power. The authority shall**
11 **not be considered a unit of local or municipal government or a state agency for purposes of**
12 **state statutes or constitutional provisions.**

13 **SECTION 2. Purpose; goals. The purpose of the Oregon Electric Transmission Authority**
14 **is to accelerate the expansion of electric transmission capacity in this state by financing,**
15 **acquiring, developing, constructing, maintaining, equipping, upgrading, owning and operating**
16 **electric transmission infrastructure. The goals of the authority are to:**

- 17 (1) **Improve the reliability and resilience of electric transmission infrastructure in this**
18 **state;**
19 (2) **Increase access to low-cost supplies of renewable energy resources;**
20 (3) **Support state energy policy objectives set forth in ORS 469.010 and 469A.405;**
21 (4) **Protect and bolster electric transmission infrastructure against extreme weather**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 events and natural disasters; and

2 (5) Support economic growth in this state.

3 **SECTION 3. Board of directors; membership.** (1) There is established an Oregon Electric
4 Transmission Authority Board of Directors.

5 (2) The board shall consist of nine voting members and three nonvoting members as fol-
6 lows:

7 (a) The Governor shall appoint, subject to confirmation by the Senate in the manner
8 prescribed in ORS 171.562 and 171.565, the following voting members:

9 (A) One member who represents the interests of residential electricity customers.

10 (B) One member who represents the interests of organized labor.

11 (C) One member who represents the interests of large commercial or industrial elec-
12 tricity customers.

13 (D) One member who represents the interests of environmental justice communities, as
14 defined in ORS 469A.400.

15 (E) One member who represents the interests of the Tribal Advisory Council on Electric
16 Transmission established under section 4 of this 2025 Act.

17 (F) One member who represents the interests of wildlife, conservation and land use.

18 (G) One member with expertise in financing large energy infrastructure projects.

19 (H) One member with expertise in the engineering and construction of utility-scale en-
20 ergy infrastructure projects, with a preference for a member with experience working with
21 a utility in the Pacific Northwest region.

22 (I) One member with expertise in renewable or zero emissions energy development.

23 (b) The nonvoting members shall be:

24 (A) The Director of the State Department of Energy, or the director's designee.

25 (B) The chairperson of the Public Utility Commission, or the chairperson's designee.

26 (C) The State Treasurer, or the treasurer's designee.

27 (3) A member who has an ownership interest in or represents an entity, other than the
28 state of Oregon, that has an ownership interest in an electric transmission or energy facility
29 that is in development or operation may not vote on matters or participate in deliberations
30 with respect to the facility.

31 (4) The term of office of each voting member is four years. Before the expiration of the
32 term of a voting member, the Governor shall appoint a successor whose term begins on
33 January 1 next following. A voting member may be reappointed. If there is a vacancy for any
34 cause, the Governor shall make an appointment to become immediately effective for the
35 unexpired term.

36 (5) The board shall select one of its voting members as chairperson and another as vice
37 chairperson for such terms and with such duties and powers as the board considers neces-
38 sary for performance of the functions of those offices.

39 (6) Five voting members of the board constitutes a quorum for the transaction of busi-
40 ness.

41 (7) The board shall meet at such other times and places specified by the chairperson or
42 by a majority of the voting members of the board.

43 (8) Meetings of the board are subject to the open meetings law pursuant to ORS 192.610
44 to 192.705. However, the board may designate commercially sensitive or proprietary infor-
45 mation as confidential and privileged, and such information shall not be subject to disclosure

1 under ORS 192.311 to 192.478.

2 (9) Voting members of the board are not entitled to compensation, but may be reim-
 3 bursed for actual and necessary travel and other expenses incurred by them in the per-
 4 formance of their official duties in the manner and amounts provided for in ORS 292.495.
 5 Claims for expenses shall be paid out of such funds as may be available to the board.

6 (10) The Governor may remove any voting member of the board at any time for cause,
 7 after notice and public hearing, but not more than three members shall be removed within
 8 a period of four years, unless it is for corrupt conduct in office.

9 **SECTION 3a. Initial board of directors; staggered terms.** Notwithstanding the term of
 10 office specified in section 3 (4) of this 2025 Act, the initial term of a person appointed by the
 11 Governor may be staggered as necessary so that no more than three terms of appointed
 12 voting members end in a year.

13 **SECTION 4. Tribal Advisory Council on Electric Transmission.** (1) The Tribal Advisory
 14 Council on Electric Transmission is established. The duties of the council are to advise the
 15 Oregon Electric Transmission Authority and the Oregon Electric Transmission Authority
 16 Board of Directors on issues relevant to the Indian tribes in this state and provide recom-
 17 mendations on how the authority may best address those issues.

18 (2) The council consists of members who are appointed by each Indian tribe in this state.

19 (3) The term of office of each member of the council is four years, but a member serves
 20 at the pleasure of the Indian tribe that appointed the member. Before the expiration of the
 21 term of a member, the tribe that appointed the member shall appoint a successor whose
 22 term begins on January 1 next following. A member is eligible for reappointment. If there is
 23 a vacancy for any cause, the vacancy shall be filled by the appointing tribe to become im-
 24 mediately effective for the unexpired term.

25 (4) Members of the council are not entitled to compensation or reimbursement of ex-
 26 penses and serve as volunteers on the council.

27 (5) The council shall select one of its members as chairperson and another as vice
 28 chairperson, for terms and with duties and powers necessary for the performance of the
 29 functions of the offices as the council determines. The chairperson shall be responsible for
 30 the adoption of bylaws for the council.

31 (6) A majority of the members of the council constitutes a quorum for the transaction
 32 of business.

33 (7) The council shall meet at least once every three months at a time and place deter-
 34 mined by the council. The council also may meet at other times and places specified by the
 35 call of the chairperson or of a majority of the members of the council.

36 (8) The council may adopt rules and bylaws to assist the council in carrying out the
 37 council's duties.

38 (9) The Oregon Electric Transmission Authority shall consult with the council on a
 39 quarterly basis.

40 **SECTION 5. Powers of board and authority.** Except as otherwise provided in sections 1
 41 to 17 of this 2025 Act, the Oregon Electric Transmission Authority Board of Directors, or
 42 officials acting under the authority of the board, shall exercise all the powers of and govern
 43 the Oregon Electric Transmission Authority. In carrying out its powers, rights and privi-
 44 leges, the authority shall be a governmental entity performing governmental functions and
 45 exercising governmental powers. The authority or the board may, either within or outside

1 the state, consistent with the purpose and goals of the authority:

2 (1) Adopt, amend or repeal rules, regulations and orders for the internal management
3 of the board and the authority and conduct of the authority's affairs.

4 (2) Fix the times and places at which regular and special meetings are held.

5 (3) Hire an executive director of the authority and authorize the executive director to
6 hire employees as necessary for the operation of the authority and prescribe the employees'
7 duties and compensation.

8 (4) Make any and all contracts and agreements, enter into any partnership, joint venture
9 or other business arrangement and create and participate fully in the operation of any
10 business structure, including but not limited to the development of business structures for
11 electric transmission facilities with any public or private government, nonprofit or for-profit
12 person or entity that in the judgment of the authority or the board is necessary or appro-
13 priate to carry out the authority's purpose and goals.

14 (5) Establish, charge, collect and use charges or fees for authority services or for the
15 use of authority facilities.

16 (6) Finance the development, construction or operations of electric transmission facili-
17 ties.

18 (7) Enter into agreements with state and federal agencies for use of services and facili-
19 ties of the state and federal agencies.

20 (8) Acquire, purchase, receive, own, hold, control, convey, sell, manage, operate, lease,
21 license, lend, invest, improve, develop, use, dispose of and hold title to real and personal
22 property of any nature in its own name.

23 (9) Sue in its own name and be sued, plead and be impleaded in all actions, suits or pro-
24 ceedings in any forum brought by or against it by any and all private or state, local, federal
25 or other public entities, agencies or persons.

26 (10) Erect, construct, improve, develop, repair, maintain, equip, furnish, lease, lend,
27 convey, sell, manage, operate, use, dispose of and hold title to buildings, structures and lands
28 for the authority.

29 (11) Purchase any and all insurance, operate a self-insurance program or otherwise ar-
30 range for the equivalent of insurance coverage of any nature and the indemnity and defense
31 of its officers, agents and employees or other persons designated by the authority to carry
32 out or further the purpose and goals of the authority.

33 (12) Solicit, receive and expend gifts, grants and donations.

34 (13) Deposit moneys of the authority in a banking institution within or outside of this
35 state.

36 (14) Exercise the power of eminent domain, as provided by ORS chapter 35, to acquire
37 property or rights of way, except property of an electric utility or property and rights of way
38 of a local or tribal government, necessary for the development or operations of an electric
39 transmission facility of the authority.

40 (15) Select, using a transparent and competitive process, one or more qualified entities
41 to assume the responsibilities of carrying out some or all required financing, planning, ac-
42 quisition, maintenance and operations of electric transmission facilities necessary or useful
43 to carry out the purpose and goals of the authority.

44 **SECTION 6. Duties of authority.** In carrying out its purpose and goals, the Oregon
45 Electric Transmission Authority shall:

1 (1) Identify and establish electric transmission corridors with statewide significance for
 2 the transmission of electricity in Oregon, including developing criteria and a process to
 3 identify electric transmission corridors with statewide significance.

4 (2) Identify and develop projects with statewide significance, including developing criteria
 5 and a process to identify projects with statewide significance.

6 (3) Consider or study options to increase the efficient use of the transmission systems
 7 or relieve constraints on the transmission system in this state, including the use of storage
 8 and advanced electric transmission technologies.

9 (4) Engage with relevant state and federal agencies to determine how to prioritize or
 10 streamline permitting for projects with statewide significance.

11 (5) Engage in meaningful consultation with federally recognized Indian tribes of this state
 12 and minimize any adverse impacts from authority actions to tribal historical, cultural or
 13 archaeological resources.

14 (6) Coordinate efforts with existing regional electric transmission forums and organiza-
 15 tions.

16 (7) Engage in, harmonize with and utilize existing electric transmission planning efforts
 17 and investigate ways to supplement existing planning efforts.

18 (8) Follow all applicable federal laws, including the Federal Power Act, 16 U.S.C. 791a et
 19 seq., and regulations of the Federal Energy Regulatory Commission.

20 **SECTION 7. Revenue bonds issued by authority.** (1) The Oregon Electric Transmission
 21 Authority may from time to time issue and sell revenue bonds in accordance with ORS
 22 chapter 287A, except that ORS 287A.150 (2) to (6) do not apply to revenue bonds issued by the
 23 authority. Revenue bonds issued by the authority are not to any extent a general obligation
 24 of the authority nor a charge upon any revenues or property of the authority not specifically
 25 pledged as security for the revenue bonds. An obligation described in this section is not an
 26 indebtedness of the State of Oregon.

27 (2) The authority shall not have the power to levy taxes or issue general obligation bonds.

28 (3) Revenue bonds issued by the authority pursuant to ORS chapter 287A shall be con-
 29 sidered to be bonds of a political subdivision of the State of Oregon for the purposes of all
 30 laws of the state.

31 (4) The authority may, pursuant to ORS 287A.360 to 287A.380, issue refunding bonds of
 32 the same character and tenor as the revenue bonds replaced by the refunding bonds.

33 **SECTION 8. Financing agreements.** (1) As used in this section:

34 (a) "Credit enhancement agreement" means any agreement or contractual relationship
 35 between the Oregon Electric Transmission Authority and any bank, trust company, insur-
 36 ance company, surety bonding company, pension fund or other financial institution providing
 37 additional credit on or security for a financing agreement or certificates of participation.

38 (b) "Financing agreement" means a lease-purchase agreement, an installment sale
 39 agreement, a loan agreement, note agreement, short-term promissory notes, commercial
 40 papers, lines of credit or similar obligations or any other agreement to finance real or per-
 41 sonal property that is or will be owned and operated by the authority, or to refinance previ-
 42 ously executed financing agreements.

43 (c) "Personal property" means tangible personal property, software and fixtures.

44 (d) "Property rights" means, with respect to personal property, the rights of a secured
 45 party under ORS chapter 79 and, with respect to real property, the rights of a trustee or

1 lender.

2 (e) "Software" means software and training and maintenance contracts related to the
3 operation of computing equipment.

4 (2) The Oregon Electric Transmission Authority may enter into financing agreements in
5 accordance with this section, upon such terms as the authority determines to be necessary
6 or desirable. Amounts payable by the authority under a financing agreement are limited to
7 funds specifically pledged, budgeted for or otherwise made available by the authority. If there
8 are insufficient available funds to pay amounts due under a financing agreement, the lender
9 may exercise any property rights that the authority has granted to the lender in the fi-
10 nancing agreement against the property that was purchased with the proceeds of the fi-
11 nancing agreement, and may apply the amounts so received toward payments scheduled to
12 be made by the authority under the financing agreement.

13 (3) The authority may:

14 (a) Enter into agreements with third parties to hold financing agreement proceeds, pay-
15 ments and reserves as security for lenders, and to issue certificates of participation in the
16 right to receive payments due from the authority under a financing agreement. Amounts
17 held pursuant to this paragraph shall be invested at the direction of the authority. Interest
18 earned on any investments held as security for a financing agreement may, at the option of
19 the authority, be credited to the accounts held by the third party and applied in payment of
20 sums due under a financing agreement.

21 (b) Enter into credit enhancement agreements for financing agreements or certificates
22 of participation, provided that the credit enhancement agreements must be payable solely
23 from funds specifically pledged, budgeted for or otherwise made available by the authority
24 and amounts received from the exercise of property rights granted under the financing
25 agreements.

26 (c) Use financing agreements to finance the costs of acquiring or refinancing real or
27 personal property, plus the costs of reserves, credit enhancements and costs associated with
28 obtaining the financing.

29 (d) Grant leases of real property with a trustee or lender. The leases may be for a term
30 that ends on the date on which all amounts due under a financing agreement have been paid
31 or provision for payment has been made, or up to 20 years after the last scheduled payment
32 under a financing agreement, whichever is later. The leases may grant the trustee or lender
33 the right to evict the authority and exclude it from possession of the real property for the
34 term of the lease if the authority fails to pay when due the amounts scheduled to be paid
35 under a financing agreement or otherwise defaults under a financing agreement. Upon de-
36 fault, the trustee or lender may sublease the real property to third parties and apply any
37 rentals toward payments scheduled to be made under a financing agreement.

38 (e) Grant security interests in personal property to trustees or lenders.

39 (f) Make pledges for the benefit of trustees and lenders.

40 (g) Purchase fire, liability, flood and extended insurance coverage or other casualty in-
41 surance for property that is acquired, transferred or refinanced with proceeds of a financing
42 agreement, assign the proceeds thereof to a lender or trustee to the extent of their interest,
43 and covenant to maintain the insurance while the financing agreement is unpaid, so long as
44 available funds are sufficient to purchase such insurance.

45 (4) A lease or financing agreement under this section does not cause otherwise exempt

1 property to be subject to property taxation. A lease or financing agreement is disregarded
2 in determining whether property is exempt from taxation under ORS chapter 307.

3 **SECTION 9. Proposed project; hearing; judicial review vested in Supreme Court.** (1) Prior
4 to undertaking a proposed transmission project, the Oregon Electric Transmission Authority
5 shall meet the following requirements:

6 (a) The authority shall provide notice of the proposed project to the Bonneville Power
7 Administration, the Public Utility Commission and each electric utility in this state and
8 make the notice publicly available on a website maintained by the authority. The notice must
9 describe the proposed project.

10 (b) The authority shall allow any person with an interest that may be affected by the
11 proposed project to file, within 30 days from the date of the notice, with the authority a
12 challenge to the proposed project.

13 (c) If a person files a challenge to the proposed project, the authority shall conduct a
14 public hearing on the proposed project no sooner than 30 days from the date the challenge
15 was filed. If more than one challenge is filed, the authority may elect to consider all chal-
16 lenges together. The authority shall provide notice of any public hearing at least 14 days
17 prior to the date of the public hearing.

18 (d) Following any required public hearings, the authority shall make a final determination
19 on whether to undertake the proposed project. The authority shall provide notice of the
20 authority's final determination on the website described under paragraph (a) of this sub-
21 section. In making a final determination on whether to undertake a proposed project, the
22 authority shall take into consideration, using data from state agencies, any adverse envi-
23 ronmental or cultural impacts from the proposed project.

24 (2) Any person who has filed with the authority a challenge to the proposed project may
25 appeal the authority's final determination within 35 days from the date of the final determi-
26 nation. Issues on appeal shall be limited to those raised before the authority. Jurisdiction for
27 judicial review of the authority's final determination is conferred upon the Supreme Court.

28 **SECTION 10. Entity undertaking proposed project; declaration.** (1) The Oregon Electric
29 Transmission Authority may not undertake a transmission project that another entity, in-
30 cluding the Bonneville Power Administration, electric utility, as defined in ORS 757.600, or
31 transmission provider, is undertaking or reasonably planning to undertake.

32 (2) Within 90 days from the date of a notice of a proposed project under section 9 of this
33 2025 Act, any entity that is willing and able to undertake the project may file a declaration
34 with the authority that declares the entity's intent and ability to undertake the project.

35 (3) An entity that files a declaration under subsection (2) of this section is deemed to be
36 undertaking the proposed project for so long as the entity takes reasonable actions to
37 undertake the proposed project.

38 (4) If an entity does not take reasonable actions to undertake a proposed project within
39 six months from the date the entity files a declaration under subsection (2) of this section,
40 the entity is not deemed to be undertaking the project and the authority may proceed to
41 undertake the proposed project.

42 **SECTION 11. Project requirements; electricity priority.** (1) When undertaking a trans-
43 mission project, the Oregon Electric Transmission Authority shall:

44 (a) Coordinate with affected local governments prior to entering into land use agree-
45 ments; and

1 (b) Use a competitive request for proposal process for all parts of the transmission
 2 project.

3 (2) In soliciting or contracting for the transmission or storage of electricity, the au-
 4 thority shall give priority to electricity that is to be sold or consumed in this state.

5 **SECTION 12. Ownership of facilities; limitations.** (1) The Oregon Electric Transmission
 6 Authority may own an electric transmission facility for only so long as necessary or useful
 7 to promote the public interest. Prior to becoming an owner or acquiring an ownership stake
 8 in an electric transmission facility, the authority shall develop and make public a plan that
 9 identifies:

10 (a) The public interest in the authority being an owner or acquiring an ownership stake
 11 in the electric transmission facility;

12 (b) The conditions under which the authority's ownership is no longer necessary or use-
 13 ful; and

14 (c) A plan to divest the authority's ownership when the authority's ownership is no
 15 longer necessary or useful to promote the public interest.

16 (2) If the authority leases an electric transmission facility to another entity, the lease
 17 agreement must include terms that provide the lessee an option to acquire, at the end of the
 18 lease term and absent default by the lessee, the authority's ownership interest in the facility
 19 at a price that reflects current fair market value.

20 **SECTION 13. Public Utility Commission lacks jurisdiction.** The Oregon Electric Trans-
 21 mission Authority and facilities owned by the authority are not subject to the jurisdiction
 22 of the Public Utility Commission.

23 **SECTION 14. State and federal jurisdiction; legislative intent.** (1) The Oregon Electric
 24 Transmission Authority may petition the Federal Energy Regulatory Commission for a clar-
 25 ification of the exclusive or concurrent jurisdiction of the commission over any matter con-
 26 sidered or action taken by the authority.

27 (2) It is the intent of the Legislative Assembly that the authority, the Public Utility
 28 Commission and the Federal Energy Regulatory Commission each carry out their powers and
 29 duties to the broadest extent possible, consistent with the principles of federalism, to achieve
 30 the purpose and goals described under section 2 of this 2025 Act.

31 **SECTION 15. Transmission corridors with statewide significance; transmission planning.**

32 (1) The Oregon Electric Transmission Authority shall identify and establish electric trans-
 33 mission corridors with statewide significance in coordination with the United States De-
 34 partment of Energy and appropriate authorities of adjacent states.

35 (2) An electric transmission corridor with statewide significance must:

36 (a) Take advantage of existing electric transmission capacities and rights of way to the
 37 greatest extent that is cost effective and reasonable; and

38 (b) Be based on planning efforts carried out under subsections (3) and (4) of this section.

39 (3) To identify and establish electric transmission corridors with statewide significance,
 40 the authority shall harmonize existing transmission planning efforts as reasonable. The au-
 41 thority shall:

42 (a) Review transmission planning for the state that has been carried out by others;

43 (b) Conduct transmission planning for the state; and

44 (c) Oversee supplemental transmission planning for the state.

45 (4) In conducting transmission planning, the authority shall:

- 1 (a) Coordinate with utility providers and transmission developers and operators;
- 2 (b) Utilize, and not duplicate, other planning efforts;
- 3 (c) Consider transmission projects that have statewide significance and work with state
- 4 and federal agencies where practicable to streamline permitting of those projects;
- 5 (d) Consider transmission capacity constraints that have statewide significance;
- 6 (e) Study and identify potential upgrades to existing electric transmission facilities;
- 7 (f) Study and identify potential upgrades to existing interconnection facilities or the po-
- 8 tential of new interconnection facilities;
- 9 (g) Study and support the use of advanced technology, such as grid enhancing technolo-
- 10 gies, reconductoring and dynamic line ratings, to improve transmission systems;
- 11 (h) Study and identify where the undergrounding of transmission lines is appropriate; and
- 12 (i) Study and identify strategies for minimizing harm to the environment and impacts to
- 13 cultural resources.

14 **SECTION 16. Streamlining processes.** The Oregon Electric Transmission Authority shall

15 work and coordinate with appropriate state and federal agencies, tribal governments, utility

16 providers and transmission developers and operators to improve and streamline processes

17 for:

- 18 (1) Siting and permitting; and
- 19 (2) Cost allocation.

20 **SECTION 17. Report on activities and operations.** No later than March 15 of each year,

21 the Oregon Electric Transmission Authority shall submit a report on the authority's activ-

22 ities and operations for the preceding year, in the manner provided by ORS 192.245, and may

23 include recommendations for legislation, to the interim committees or committees of the

24 Legislative Assembly related to energy.

25 **SECTION 18. Initial operating account; annual operating budget.** (1) The Oregon Electric

26 Transmission Authority shall establish an initial operating account. The account shall con-

27 sist of:

28 (a) Moneys appropriated or transferred to the authority by the Legislative Assembly to

29 cover costs and expenses related to the operations of the authority.

30 (b) Nonbypassable transmission authority charges collected under section 19 of this 2025

31 Act.

32 (c) Interest earned on the moneys in the account.

33 (2) The authority shall deposit into and maintain in the initial operating account all

34 moneys described in subsection (1)(a) to (c) of this section, until expended or obligated for

35 costs and expenses related to the operations of the authority.

36 (3) The authority may expend no more than \$2 million annually from the initial operating

37 account for costs and expenses related to the operations of the authority and may hold no

38 more than \$2 million in the account as reserves for costs and expenses related to the oper-

39 ations of the authority.

40 (4) Subject to subsection (5) of this section, on January 3, 2032, the authority shall

41 transfer all moneys remaining in the initial operating account that are unexpended and un-

42 obligated to a permanent operating account established by the authority and take any acts

43 necessary to close out the initial operating account.

44 (5) If sections 1 to 17 of this 2025 Act are repealed, the authority shall transfer all mon-

45 eys remaining in the initial operating account that are unexpended and unobligated on the

1 date that sections 1 to 17 of this 2025 Act are repealed to the State of Oregon to be:

2 (a) Deposited into the Housing and Community Services Department Low-Income Elec-
3 tric Bill Payment Assistance Fund established by ORS 456.587 (2).

4 (b) Used by the Housing and Community Services Department solely for purposes related
5 to low-income electric bill payment and crisis assistance.

6 (6) Not later than September 15 of each year, the Oregon Electric Transmission Author-
7 ity Board of Directors shall adopt an operating budget for the following year and provide a
8 copy of the operating budget to the State Department of Energy.

9 **SECTION 19. Nonbypassable transmission authority charge.** (1) As used in this section,
10 “electricity service supplier,” “electric utility” and “retail electricity consumer” have the
11 meanings given those terms in ORS 757.600.

12 (2) Each electric utility shall collect a nonbypassable transmission authority charge from
13 all retail electricity consumers that are:

14 (a) Part of a customer class of the electric utility or an electricity service supplier that
15 is for large industrial customers that have a load in excess of 20 megawatts; and

16 (b) Located within the electric utility’s service territory, including retail electricity con-
17 sumers served by an electricity service supplier.

18 (3) Each year the Oregon Electric Transmission Authority shall determine the amount
19 that each electric utility shall collect based on the authority’s proposed operating budget for
20 the following year. The total amount that may be collected may not be more than necessary
21 to cover the authority’s operating budget.

22 (4) The State Department of Energy shall direct the manner in which the nonbypassable
23 transmission authority charges are collected and the manner in which the amounts collected
24 are transferred to or deposited with the authority.

25 (5) The department may establish rules to carry out the provisions of this section.

26 **SECTION 20.** Section 21 of this 2025 Act is added to and made a part of ORS chapter 757.

27 **SECTION 21. Project undertaken by a public utility.** (1) When a public utility undertakes
28 a project under sections 1 to 17 of this 2025 Act to serve the public utility’s customers and
29 the project requires a certificate of public convenience and necessity under ORS 758.015, the
30 public utility may recover in rates the capital costs of the project only if the project has
31 received a certificate of public convenience and necessity under ORS 758.015.

32 (2) A public utility may not recover from customers costs associated with a project
33 undertaken under sections 1 to 17 of this 2025 Act unless the Public Utility Commission finds
34 that the costs are prudently incurred, and the project is used and useful for serving those
35 customers from which the public utility seeks to recover.

36 **SECTION 22.** ORS 287A.001 is amended to read:

37 287A.001. As used in this chapter:

38 (1) “Advance refunding bond” means a bond all or part of the proceeds of which are to be used
39 to pay an outstanding bond one year or more after the advance refunding bond is issued.

40 (2) “Agreement for exchange of interest rates” means a contract, or an option or forward com-
41 mitment to enter into a contract, for an exchange of interest rates for related bonds that provides
42 for:

43 (a) Payments based on levels or changes in interest rates; or

44 (b) Provisions to hedge payment, rate, spread or similar exposure including, but not limited to,
45 an interest rate floor or cap or an option, put or call.

1 (3)(a) “Bond” means a contractual undertaking or instrument of a public body to repay borrowed
 2 moneys.

3 (b) “Bond” does not mean a credit enhancement device.

4 (4) “Capital construction” has the meaning given that term in ORS 310.140.

5 (5) “Capital costs” has the meaning given that term in ORS 310.140.

6 (6) “Capital improvements” has the meaning given that term in ORS 310.140.

7 (7)(a) “Credit enhancement device” means a letter of credit, line of credit, standby bond pur-
 8 chase agreement, bond insurance policy, reserve surety bond or other device or facility used to en-
 9 hance the creditworthiness, liquidity or marketability of bonds or agreements for exchange of
 10 interest rates.

11 (b) “Credit enhancement device” does not mean a bond.

12 (8) “Current refunding bond” means a bond the proceeds of which are to be used to pay or
 13 purchase an outstanding bond less than one year after the current refunding bond is issued.

14 (9) “Forward current refunding” means execution and delivery of a purchase agreement or sim-
 15 ilar instrument under which a public body contracts to sell current refunding bonds for delivery at
 16 a future date that is one year or more after execution of the purchase agreement or similar instru-
 17 ment.

18 (10) “General obligation bond” means exempt bonded indebtedness, as defined in ORS 310.140,
 19 that is secured by a commitment to levy ad valorem taxes outside the limits of sections 11 and 11b,
 20 Article XI, of the Oregon Constitution.

21 (11) “Lawfully available funds” means revenues or other moneys of a public body including, but
 22 not limited to, moneys credited to the general fund of the public body, revenues from an ad valorem
 23 tax and revenues derived from other taxes levied by the public body that are not dedicated, re-
 24 stricted or obligated by law or contract to an inconsistent expenditure or use.

25 (12) “Operative document” means a bond declaration, trust agreement, indenture, security
 26 agreement or other document in which a public body pledges revenue or property as security for a
 27 bond.

28 (13) “Pledge” means:

29 (a) To create a lien on property pursuant to ORS 287A.140.

30 (b) A lien on property created pursuant to ORS 287A.140.

31 (c) To create a lien on property pursuant to ORS 287A.310.

32 (d) A lien on property created pursuant to ORS 287A.310.

33 (14) “Public body” means:

34 (a) A county of this state;

35 (b) A city of this state;

36 (c) A local service district as defined in ORS 174.116 (2);

37 (d) A special government body as defined in ORS 174.117;

38 (e) Oregon Health and Science University;

39 (f) A public university listed in ORS 352.002; [or]

40 **(g) The Oregon Electric Transmission Authority established under section 1 of this 2025**
 41 **Act; or**

42 [(g)] **(h)** Any other political subdivision of this state that is authorized by the Legislative As-
 43 sembly to issue bonds.

44 (15) “Refunding bond” means an advance refunding bond, a current refunding bond or a forward
 45 current refunding bond.

1 (16) “Related bond” means a bond for which the public body enters into an agreement for ex-
 2 change of interest rates or obtains a credit enhancement device.

3 (17) “Revenue” means all fees, tolls, excise taxes, assessments, property taxes and other taxes,
 4 rates, charges, rentals and other income or receipts derived by a public body or to which a public
 5 body is entitled.

6 (18) “Revenue bond” means a bond that is not a general obligation bond.

7 (19) “Termination payment” means the amount payable under an agreement for exchange of in-
 8 terest rates by one party to another party as a result of the termination, in whole or part, of the
 9 agreement prior to the expiration of the stated term.

10 **SECTION 23.** ORS 287A.001, as amended by section 22 of this 2025 Act, is amended to read:
 11 287A.001. As used in this chapter:

12 (1) “Advance refunding bond” means a bond all or part of the proceeds of which are to be used
 13 to pay an outstanding bond one year or more after the advance refunding bond is issued.

14 (2) “Agreement for exchange of interest rates” means a contract, or an option or forward com-
 15 mitment to enter into a contract, for an exchange of interest rates for related bonds that provides
 16 for:

17 (a) Payments based on levels or changes in interest rates; or

18 (b) Provisions to hedge payment, rate, spread or similar exposure including, but not limited to,
 19 an interest rate floor or cap or an option, put or call.

20 (3)(a) “Bond” means a contractual undertaking or instrument of a public body to repay borrowed
 21 moneys.

22 (b) “Bond” does not mean a credit enhancement device.

23 (4) “Capital construction” has the meaning given that term in ORS 310.140.

24 (5) “Capital costs” has the meaning given that term in ORS 310.140.

25 (6) “Capital improvements” has the meaning given that term in ORS 310.140.

26 (7)(a) “Credit enhancement device” means a letter of credit, line of credit, standby bond pur-
 27 chase agreement, bond insurance policy, reserve surety bond or other device or facility used to en-
 28 hance the creditworthiness, liquidity or marketability of bonds or agreements for exchange of
 29 interest rates.

30 (b) “Credit enhancement device” does not mean a bond.

31 (8) “Current refunding bond” means a bond the proceeds of which are to be used to pay or
 32 purchase an outstanding bond less than one year after the current refunding bond is issued.

33 (9) “Forward current refunding” means execution and delivery of a purchase agreement or sim-
 34 ilar instrument under which a public body contracts to sell current refunding bonds for delivery at
 35 a future date that is one year or more after execution of the purchase agreement or similar instru-
 36 ment.

37 (10) “General obligation bond” means exempt bonded indebtedness, as defined in ORS 310.140,
 38 that is secured by a commitment to levy ad valorem taxes outside the limits of sections 11 and 11b,
 39 Article XI, of the Oregon Constitution.

40 (11) “Lawfully available funds” means revenues or other moneys of a public body including, but
 41 not limited to, moneys credited to the general fund of the public body, revenues from an ad valorem
 42 tax and revenues derived from other taxes levied by the public body that are not dedicated, re-
 43 stricted or obligated by law or contract to an inconsistent expenditure or use.

44 (12) “Operative document” means a bond declaration, trust agreement, indenture, security
 45 agreement or other document in which a public body pledges revenue or property as security for a

1 bond.

2 (13) "Pledge" means:

3 (a) To create a lien on property pursuant to ORS 287A.140.

4 (b) A lien on property created pursuant to ORS 287A.140.

5 (c) To create a lien on property pursuant to ORS 287A.310.

6 (d) A lien on property created pursuant to ORS 287A.310.

7 (14) "Public body" means:

8 (a) A county of this state;

9 (b) A city of this state;

10 (c) A local service district as defined in ORS 174.116 (2);

11 (d) A special government body as defined in ORS 174.117;

12 (e) Oregon Health and Science University;

13 (f) A public university listed in ORS 352.002; **or**

14 *[(g) The Oregon Electric Transmission Authority established under section 1 of this 2025 Act; or]*

15 *[(h)]* (g) Any other political subdivision of this state that is authorized by the Legislative As-
 16 sembly to issue bonds.

17 (15) "Refunding bond" means an advance refunding bond, a current refunding bond or a forward
 18 current refunding bond.

19 (16) "Related bond" means a bond for which the public body enters into an agreement for ex-
 20 change of interest rates or obtains a credit enhancement device.

21 (17) "Revenue" means all fees, tolls, excise taxes, assessments, property taxes and other taxes,
 22 rates, charges, rentals and other income or receipts derived by a public body or to which a public
 23 body is entitled.

24 (18) "Revenue bond" means a bond that is not a general obligation bond.

25 (19) "Termination payment" means the amount payable under an agreement for exchange of in-
 26 terest rates by one party to another party as a result of the termination, in whole or part, of the
 27 agreement prior to the expiration of the stated term.

28 **SECTION 24. The amendments to ORS 287A.001 by section 23 of this 2025 Act become**
 29 **operative on January 2, 2032.**

30 **SECTION 25. Review of Oregon Electric Transmission Authority; report; extending repeal**
 31 **date.** (1) **Not later than September 15, 2030, the State Department of Energy shall conduct**
 32 **a comprehensive review of the Oregon Electric Transmission Authority and submit a report**
 33 **on the review in the manner provided by ORS 192.245, and may include recommendations for**
 34 **legislation, to the committees or interim committees of the Legislative Assembly related to**
 35 **energy.**

36 **(2) The review shall assess the following:**

37 **(a) The continued value of the authority in achieving the purpose and goals of the au-**
 38 **thority described under section 2 of this 2025 Act;**

39 **(b) The efficiency and effectiveness of the authority's operations;**

40 **(c) The fiscal impact of the nonbypassable transmission authority charge collected under**
 41 **section 19 of this 2025 Act on individuals, businesses and the state economy;**

42 **(d) The authority's outcomes relative to any benchmarks established by the Oregon**
 43 **Electric Transmission Authority Board of Directors;**

44 **(e) The authority's progress towards a self-sufficient funding model; and**

45 **(f) Any undue impact to residential electricity customers.**

1 **(3) It is the intent of the Legislative Assembly that during the 2031 regular session, the**
2 **committees of the Legislative Assembly related to energy shall consider the report and**
3 **whether:**

4 **(a) The authority is able to operate on a self-sufficient funding model; and**

5 **(b) To extend, for a period not to exceed 10 years, the repeal date specified under section**
6 **26 of this 2025 Act for the statutory provisions establishing the Oregon Electric Transmission**
7 **Authority.**

8 **SECTION 26. Repeal of Oregon Electric Transmission Authority.** Sections 1 to 17 of this
9 **2025 Act are repealed on January 2, 2032.**

10 **SECTION 27. Repeal of nonbypassable transmission authority charge.** Section 19 of this
11 **2025 Act is repealed on January 2, 2032.**

12 **SECTION 28. Captions.** The section captions used in this 2025 Act are provided only for
13 **the convenience of the reader and do not become part of the statutory law of this state or**
14 **express any legislative intent in the enactment of this 2025 Act.**

15 **SECTION 29. Effective date.** This 2025 Act takes effect on the 91st day after the date on
16 **which the 2025 regular session of the Eighty-third Legislative Assembly adjourns sine die.**
17
