SB 1102-2 (LC 2788) 4/2/25 (CPA/CMT/ps)

Requested by Senator BROADMAN

## PROPOSED AMENDMENTS TO SENATE BILL 1102

In line 2 of the printed bill, after "energy" insert "; creating new provisions; amending ORS 469A.410, 469A.400, 469A.415 and 469A.435; and prescribing an effective date".

4 Delete lines 4 through 8 and insert:

5 "SECTION 1. Section 2 of this 2025 Act is added to and made a part
6 of ORS 469A.400 to 469A.475.

"SECTION 2. If an electric company that is subject to ORS 469A.400 7 to 469A.475 fails to show compliance as determined under ORS 8 469A.435, or does not demonstrate continual improvement as provided 9 in ORS 469A.415, the Public Utility Commission may impose a penalty 10 against the company in an amount determined by the commission by 11 rule as sufficient to deter noncompliance. A penalty under this section 12 is in addition to any other payment required under ORS 469A.400 to 13 469A.475. Notwithstanding ORS 756.990, moneys paid for penalties un-14 der this section shall be refunded pro rata to electricity ratepayers. 15

<sup>16</sup> **"SECTION 3.** ORS 469A.400 is amended to read:

<sup>17</sup> "469A.400. As used in ORS 469A.400 to 469A.475:

18 "(1) 'Baseline emissions level' means:

"(a) For an electric company, the average annual emissions of greenhouse gas for the years 2010, 2011 and 2012 associated with the electricity sold to retail electricity consumers as reported under ORS 468A.280, or rules adopted 1 pursuant thereto.

"(b) Except as provided in paragraph (c) of this subsection, for an electricity service supplier, 0.428 metric tons of carbon dioxide equivalent per megawatt-hour associated with the electricity sold by the electricity service supplier to retail electricity consumers as reported under ORS 468A.280, or rules adopted pursuant thereto.

"(c) For an electricity service supplier that is first certified under ORS
757.649 on or after September 25, 2021, the baseline emissions level defined
in paragraph (b) of this subsection shall be adjusted downward in the certification of the electricity service supplier under ORS 757.649 to a level that:
"(A) Reflects the continual progress made by other electricity service
suppliers toward meeting the clean energy targets set forth in ORS 469A.410,
as demonstrated under ORS 469A.420 (3); and

"(B) Prevents the creation of a competitive disadvantage among electric-ity service suppliers.

"(2) 'Community-based renewable energy' means one or more renewable energy systems that interconnect to utility distribution or transmission assets and may be combined with microgrids, storage systems or demand response measures, or energy-related infrastructure that promotes climate resiliency or other such measures, and that:

"(a) Provide a direct benefit to a particular community through a
 community-benefits agreement or direct ownership by a local government,
 nonprofit community organization or federally recognized Indian tribe; or

"(b) Result in increased resiliency or community stability, local jobs,
 economic development or direct energy cost savings to families and small
 businesses.

"(3) 'Electric company,' 'electricity service supplier' and 'electric utility'
have the meanings given those terms in ORS 757.600.

"(4) 'Environmental justice' means equal protection from environmental and health hazards and meaningful public participation in decisions that affect the environment in which people live, work, learn, practice spirituality
 and play.

"(5) 'Environmental justice communities' includes communities of color, communities experiencing lower incomes, tribal communities, rural communities, coastal communities, communities with limited infrastructure and other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards, including seniors, youth and persons with disabilities.

9 "(6) 'Greenhouse gas' has the meaning given that term in ORS 468A.210. 10 "(7) 'Nonemitting electricity' means electricity, including hydroelectricity, 11 that is generated and may be stored in a manner that does not emit 12 greenhouse gas into the atmosphere.

13 "(8) 'Renewable energy certificate' means a certificate that is issued 14 for the generation of renewable power, as a unique representation of 15 the attributes of renewable energy, which are the environmental, cli-16 mate, economic and social benefits associated with the generation of 17 electricity from renewable sources.

"[(8)] (9) 'Retail electricity consumer' means a retail electricity consumer,
as defined in ORS 757.600, that is serviced by a retail electricity provider and
located in this state.

21 "[(9)] (10) 'Retail electricity provider' means an electric company or 22 electricity service supplier.

<sup>23</sup> "SECTION 4. ORS 469A.410 is amended to read:

<sup>24</sup> "469A.410. (1) A retail electricity provider shall reduce greenhouse gas <sup>25</sup> emissions, measured for an electric company as greenhouse gas emissions <sup>26</sup> reported under ORS 468A.280, and measured for an electricity service sup-<sup>27</sup> plier as greenhouse gas emissions per megawatt-hour as reported under ORS <sup>28</sup> 468A.280, to the extent compliance is consistent with ORS 469A.400 to <sup>29</sup> 469A.475, by the following targets:

30 "(a) By 2028, not less than 50 percent below baseline emissions level.

1 "[(a)] (b) By 2030, 80 percent below baseline emissions level.

2 "[(b)] (c) By 2035, 90 percent below baseline emissions level.

"[(c)] (d) By 2040, and for every subsequent year, 100 percent below
baseline emissions level.

5 "(2) Nothing in ORS 469A.400 to 469A.475 may be construed as establish-6 ing a standard that requires a retail electricity provider to track electricity 7 to end use retail customers.

8 "SECTION 5. ORS 469A.415 is amended to read:

"469A.415. (1) An electric company shall develop a clean energy plan for
meeting the clean energy targets set forth in ORS 469A.410 concurrent with
the development of each integrated resource plan.

"(2) The electric company shall submit the clean energy plan to the Public
Utility Commission and the Department of Environmental Quality.

"(3)(a) A clean energy plan must be based on or included in an integrated resource plan filing [made no earlier than January 1, 2022, and filed no later than 180 days after the integrated resource plan is filed, or] developed within an integrated resource planning process and incorporated into the integrated resource plan filed with the commission.

"(b) Notwithstanding paragraph (a) of this subsection, a clean energy plan developed by a multistate jurisdictional electric company must be based on or contained in other information developed consistent with a cost-allocation methodology approved by the commission.

23 "(4) A clean energy plan must:

<sup>24</sup> "(a) Incorporate the clean energy targets set forth in ORS 469A.410;

"(b) Include annual goals set by the electric company for actions that
make progress towards meeting the clean energy targets set forth in ORS
469A.410, including acquisition of nonemitting generation resources, energy
efficiency measures and acquisition and use of demand response resources;

"(c) Include historical data, for at least the three most recent years,
 on total greenhouse gas emissions by fuel source and annual

## greenhouse gas emissions by fuel source, as attributable to serving Oregon retail electricity customers;

"[(c)] (d) Include a risk-based examination of resiliency opportunities that includes costs, consequences, outcomes and benefits based on reasonable and prudent industry resiliency standards and guidelines established by the Public Utility Commission;

"[(d)] (e) Examine the costs and opportunities of offsetting energy generated from fossil fuels with community-based renewable energy;

9 "[(e)] (f) Demonstrate the electric company is making continual progress 10 within the planning period towards meeting the clean energy targets set 11 forth in ORS 469A.410, including demonstrating a projected reduction of an-12 nual greenhouse gas emissions; and

13 "[(f)] (g) Result in an affordable, reliable and clean electric system.

"(5) Actions and investments proposed in a clean energy plan may include the development or acquisition of clean energy resources, acquisition of energy efficiency and demand response, including an acquisition required by ORS 757.054, development of new transmission and other supporting infrastructure, retirement of existing generating facilities, changes in system operation and any other necessary action.

"(6) The commission shall ensure that an electric company demonstrates continual progress as described in subsection [(4)(e)] (4)(f) of this section and is taking actions as soon as practicable that facilitate rapid reduction of greenhouse gas emissions at reasonable costs to retail electricity consumers. An electric company demonstrates continual progress under subsection (4)(f) of this section by:

"(a) Procuring sufficient nonemitting energy resources to meet the
 clean energy targets set forth in ORS 469A.410; and

"(b) Having not more than a 20 percent variance in emissions in any
 given year from the straight line progression in emissions reductions
 that is required under ORS 469A.410, as determined using the Sep-

tember 25, 2021, level as the baseline emissions level and continuing
 through each of the targets required in ORS 469A.410.

3 "SECTION 6. ORS 469A.435 is amended to read:

"469A.435. (1)(a) In determining whether a retail electricity provider has
complied with the clean energy targets set forth in ORS 469A.410, the Public
Utility Commission shall take into consideration unplanned emissions in
excess of the amount projected in an electric company's clean energy plan
submitted under ORS 469A.415 or the information provided by an electricity
service supplier under ORS 469A.420 (3), to the extent:

"(A) The emissions are in excess of the clean energy targets set forth in
ORS 469A.410;

"(B) Generation of electricity from nonemitting resources forecasted to
 meet electricity demand is less than expected, including variability in the
 generation, transmission, constraints or other causes; and

"(C) The additional emissions are from the generation of electricity nec essary to meet load.

"(b) A retail electricity provider that continues to be out of compliance 17 with the clean energy targets set forth in ORS 469A.410 for more than 12 18 months as a result of unplanned emissions as described in paragraph (a)(A) 19 to (C) of this subsection shall include a detailed plan on how the retail 20electricity provider will return to compliance as soon as practicable, subject 21to approval by the commission, for an electric company, in a subsequent 22clean energy plan or, for an electricity service supplier, in a subsequent 23submission to the commission under ORS 469A.420 (3). 24

"(2) Greenhouse gas emissions associated with electricity acquired from net metering of customer resources or a qualifying facility under the terms of the **federal** Public Utility Regulatory Policies Act **of 1978**, (**P.L. 95-617**) shall be excluded from the determination of the retail electricity provider's total greenhouse gas emissions.

30 "(3) For purposes of determining whether a retail electricity provider has

complied with the clean energy targets set forth in ORS 469A.410, electricity,
other than unspecified market power, purchased from the Bonneville Power
Administration for delivery to retail electricity consumers shall be deemed
to have the Bonneville Power Administration asset controlling supplier
emission factor reported to the Department of Environmental Quality under
ORS 468A.280, or rules adopted pursuant thereto.

"(4)(a) For an electric company subject to ORS 469A.052, the commission
shall initiate a process to update the avoided costs calculated pursuant to
ORS 758.525 for a qualifying facility under ORS 758.505 to ensure avoided
costs accurately reflect the characteristics of generators that contribute to
compliance with ORS 469A.400 to 469A.475.

"(b) The process initiated by the commission under paragraph (a) of this 12 subsection may commence no sooner than two calendar years before the 13 calendar year identified in the electric company's acknowledged integrated 14 resource plan that shows the electric company will meet or exceed the re-15guirements described in ORS 469A.052 (1)(h) and must conclude no later than 16 the calendar year identified in the acknowledged integrated resource plan 17 that shows the electric company will meet or exceed the requirements de-18 scribed in ORS 469A.052 (1)(h). 19

20 "(5) Renewable energy certificates that are associated with the 21 generation of nonemitting electricity:

"(a) Shall be denominated to align with the generation of one
 megawatt hour of electricity;

"(b) If associated with nonemitting electricity sold to retail cus tomers as required for compliance with ORS 469A.400 to 469A.475, shall
 be retired upon sale; and

"(c) Shall be issued for the generation of renewable power and certified as such by or through the Western Renewable Energy Generation Information System or a successor regional system or trading
program.

"SECTION 7. (1) Section 2 of this 2025 Act becomes operative on
 January 1, 2026.

"(2) The Public Utility Commission may take any action before the 3 operative date specified in subsection (1) of this section necessary to 4 enable the commission to exercise, on and after the operative date  $\mathbf{5}$ specified in subsection (1) of this section, all of the duties, functions 6 and powers conferred on the commission by section 2 of this 2025 Act. 7 "SECTION 8. This 2025 Act takes effect on the 91st day after the 8 date on which the 2025 regular session of the Eighty-third Legislative 9 Assembly adjourns sine die.". 10

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