

SB 1526 A STAFF MEASURE SUMMARY

Senate Committee On Energy and Environment

Action Date: 02/09/26

Action: Do pass with amendments and requesting referral to Ways and Means. (Printed A-Engrossed.)

Vote: 4-1-0-0

Yea: 4 - Golden, Pham, Smith DB, Sollman

Nay: 1 - Robinson

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 2/4, 2/9

WHAT THE MEASURE DOES:

The measure directs the Oregon Department of Energy (ODOE) to seek grant funding to convene a founding board and, upon securing sufficient funds, directs the board to establish a nonprofit entity to finance clean energy and resilience projects.

Detailed Summary:

Directs ODOE to apply for grant funding from the Oregon Environmental Restoration Council's State Agency Program Fund or other sources to support the organizational, startup, and administrative costs of convening a founding board. Requires ODOE to carry out pre-startup activities, including convening and filling the founding board, if at least \$2 million in grant funding is secured. Requires the founding board to consist of at least eight members: the ODOE director, the Oregon Business Development Department director or designee, the Oregon Housing and Community Services Department director or designee, four members representing nongovernmental organizations, and one member representing a labor organization.

Requires the founding board to form a nonprofit entity for the purpose of financing clean energy and resilience projects that facilitate the generation, production, or storage of clean energy or clean fuels; the conservation or efficient use of energy or fuels; the reduction in greenhouse gas emissions; or improvements in the resilience and availability of infrastructure, natural and working lands, buildings, or communities, with priority given to low-income, tribal, rural, or underserved communities.

Requires the nonprofit entity formed to have a charter, be able to receive capital in any form, and report annually to the Legislative Assembly.

Requires the Business Development Department to work with the nonprofit entity to explore potential agreements to provide capitalization or financing, including the use of bonding authority. Requires ODOE to work with the nonprofit entity to explore potential contractual relationships and areas of collaboration. Requires all state agencies to assist, as necessary, in carrying out these duties.

ISSUES DISCUSSED:

- Interaction of the proposed board with existing programs
- The requirement that ODOE secure funding before taking action on establishing the board
- Potential uses of funds

EFFECT OF AMENDMENT:

The amendment modifies ODOE's pre-startup activities and increases the founding board membership to at least eight members, including one member representing a labor organization. The amendment stipulates that the

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founding board may fill vacancies or add additional members. The direction to the founding board is modified to no longer include projects that facilitate transmission of clean energy and to include improvements to the availability of infrastructure, natural and working lands, buildings, or communities.

BACKGROUND:

According to the U.S. Environmental Protection Agency, alternative clean energy financing mechanisms are typically mission-driven and designed to accelerate clean energy deployment. Connecticut, Hawaii, Michigan, and New York have all established either public, quasi-public, or nonprofit financing entities that work to combine public and private capital for the purpose of pursuing goals for clean energy projects that reduce emissions.

In 2018, the Oregon Department of Justice filed a lawsuit against Monsanto, alleging that polychlorinated biphenyls (PCBs) are highly toxic and can harm people's immune systems. A settlement for \$698 million was reached. In 2024, the legislature enacted Senate Bill 1561, establishing the Oregon Environmental Restoration Council to guide the use of settlement funds and dedicating 50 percent of the biennial disbursement for the State Agency Program Fund.