

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	5 - 0 - 0
Yeas:	Cowan, Krieger, Nelson, Schaufler, Boone
Nays:	0
Exc.:	0
Prepared By:	Judith Callens, Administrator
Meeting Dates:	3/20, 4/3, 4/12, 5/17

WHAT THE MEASURE DOES: Authorizes the Director of Department of State Lands to promulgate rules for the authorization of wave energy facilities or devices. Requires owner or operator of facility located within Oregon's territorial sea, to maintain cost estimates of amount of financial assurance necessary for proper closure and post-closure maintenance as well as any corrective action required at the site. Allows financial assurance requirements to be met by one or more of the following: insurance, trust fund, surety bond, letter of credit, qualification as a self-insurer or other method adopted by rule. Allows Director of State Lands to specify policy or contractual terms, conditions or defenses necessary to establish evidence of financial assurance. Requires owner or operator to provide evidence of financial assurance at the time a license to operate the facility or device is issued with an update of information provided by January 31 of each subsequent calendar year. Requires owner or operator to provide evidence of financial assurance before beginning corrective action. Requires owner or operator to establish provisions, satisfactory to the Department of State Lands Director, for disposing of any excess moneys received or interest earned. Adds "ocean wave energy" to definition of "renewable energy resource". Prescribes effective date of 91st day after adjournment sine die.

ISSUES DISCUSSED:

- Federal Energy Regulatory Commission (FERC) permitting process
- University wave energy pilot projects
- PGE investing in research through Oregon State University
- Renewable energy enterprise zones
- DSL land leasing authority requiring land to be returned to pre-use condition
- Statutory restoration requirements
- Options to demonstrate financial assurance for proper closure of site

EFFECT OF COMMITTEE AMENDMENT: Replaces references to "licensing" with "authorization" of wave energy facilities by the Department of State Lands to accurately reflect how facilities receive permission from the state to operate. Deletes exemption from financial assurance and closure requirements for small wave energy projects located in Oregon's territorial sea that do not require a FERC license. Deletes emergency clause and prescribes an effective date of the 91st day after adjournment sine die.

BACKGROUND: Ocean wave energy is a developing renewable energy technology. Ocean wave energy devices are scheduled to be tested off the Oregon Coast this year. SB 875B clarifies that ocean wave energy is treated as a renewable energy for purposes of tax incentives. The measure further provides a mechanism to ensure that abandoned ocean wave energy devices are properly removed from the ocean by allowing developers a variety of options to provide financial assurance that removal and site closure will proceed properly, modeled after the process for decommissioning solid waste facilities.

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This summary has not been adopted or officially endorsed by action of the committee.