

C-Engrossed
House Bill 3488

Ordered by the Senate June 23
Including House Amendments dated May 9 and June 12 and Senate
Amendments dated June 23

Sponsored by Representatives BRUUN, WITT; Representatives DINGFELDER, HANNA

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.

Exempts alternative energy system from property tax if system is net metering [*system*] **facility** or other system primarily designed to offset onsite electricity use.

Authorizes Public Utility Commission to establish rates for renewable energy generation facilities.

Authorizes public utility to use moneys obtained through cost-of-service rate to provide renewable energy generation facilities to property owners or customers.

Authorizes Governor to suspend renewable fuel use standards for ethanol if Governor determines that compliance with standards is technically or economically infeasible or poses significant risk to public safety. Provides that suspension be limited to counties east of summit of Cascade Mountains.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to renewable energy; creating new provisions; amending ORS 307.175 and 757.247; and
3 prescribing an effective date.

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

5 **SECTION 1.** ORS 307.175 is amended to read:

6 307.175. (1) Property equipped with solar, geothermal, wind, water, fuel cell or methane gas en-
7 ergy systems for the purpose of heating, cooling or generating electrical energy shall be exempt
8 from ad valorem taxation in an amount that equals any positive amount obtained by subtracting the
9 real market value of the property as if it were not equipped with such systems, from the real market
10 value of the property so equipped.

11 (2) This section applies to tax years beginning prior to July 1, 2012.

12 (3) **Except as provided in subsection (4) of this section**, this section does not apply to prop-
13 erty owned or leased by any [*individual or legal entity*] **person** whose principal business activity is
14 directly or indirectly the production, transportation or distribution of energy, including but not
15 limited to public utilities as defined in ORS 757.005 and people's utility districts as defined in ORS
16 261.010.

17 (4) **This section applies to an alternative energy system that is owned or leased by a**
18 **person whose principal business activity is directly or indirectly the production, transporta-**
19 **tion or distribution of energy if the system is a net metering facility, as defined in ORS**
20 **757.300, or other system primarily designed to offset onsite electricity use.**

21 **SECTION 2.** The amendments to ORS 307.175 by section 1 of this 2007 Act apply to tax
22 years beginning on or after July 1, 2007.

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 **SECTION 3.** ORS 757.247 is amended to read:

2 757.247. (1) The Public Utility Commission may authorize a public utility to file and place into
3 effect tariff schedules establishing rates or charges for **renewable energy generation facilities,**
4 **or for** energy conservation measures, services or payments, provided to individual property owners
5 or customers. Application of the schedule shall be subject to agreement between the public utility
6 and the property owner or customer receiving service at the time the **renewable energy gener-**
7 **ation facilities or** conservation measures, services or payments are initially provided.

8 (2) [The] **A tariff schedule under this section** may include provisions for the payment of the
9 rates or charges over a period of time and for the application of the payment obligation to succes-
10 sive property owners or customers at the premises where the **renewable energy generation facil-**
11 **ities or** conservation measures or services were installed or performed or with respect to which the
12 [conservation] payments were made.

13 (3) [The] A public utility shall record a notice of [the] **any** payment obligation **required of a**
14 **property owner or customer under this section** in the records maintained by the county clerk
15 under ORS 205.130. The commission may prescribe by rule [under the applicable provisions of ORS
16 183.325 to 183.400] other methods by which the public utility shall notify property owners or cus-
17 tomers of any such payment obligation.

18 (4) **A public utility may use moneys obtained through a rate established under ORS**
19 **757.603 (2)(a) to provide renewable energy generation facilities to property owners or cus-**
20 **tomers under this section. A public utility may not charge interest to a property owner or**
21 **customer for facilities acquired with moneys obtained through a rate established under ORS**
22 **757.603 (2)(a).**

23 **SECTION 4.** (1) The Governor by executive order may suspend, for up to 90 days,
24 **renewable fuel use standards established by state law for ethanol if the Governor determines**
25 **that compliance with the standards is technically or economically infeasible or poses a sig-**
26 **nificant risk to public safety. A suspension under this section shall be limited to counties**
27 **east of the summit of the Cascade Mountains and may be extended for an additional period**
28 **not to exceed 90 days.**

29 (2) The Governor must receive a recommendation of suspension from the State Depart-
30 ment of Energy before issuing an executive order under this section. Before recommending
31 a suspension, the department shall provide a 30-day period of public comment on the pro-
32 posed suspension, unless the department determines that a shorter public comment period
33 is necessary. The department shall issue written findings of fact with the recommendation
34 of suspension.

35 **SECTION 5.** Section 4 of this 2007 Act is repealed on December 31, 2008.

36 **SECTION 6.** This 2007 Act takes effect on the 91st day after the date on which the reg-
37 ular session of the Seventy-fourth Legislative Assembly adjourns sine die.

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