

Enrolled House Bill 3488

Sponsored by Representatives BRUUN, WITT; Representatives DINGFELDER, HANNA

CHAPTER

AN ACT

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

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

SECTION 1. ORS 307.175 is amended to read:

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

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

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

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

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

SECTION 3. ORS 757.247 is amended to read:

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

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

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

(4) A public utility may use moneys obtained through a rate established under ORS 757.603 (2)(a) to provide renewable energy generation facilities to property owners or customers under this section. A public utility may not charge interest to a property owner or customer for facilities acquired with moneys obtained through a rate established under ORS 757.603 (2)(a).

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

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

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

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

Passed by House June 15, 2007

Received by Governor:

Repassed by House June 26, 2007

.....M.,....., 2007

Approved:

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Chief Clerk of House

.....M.,....., 2007

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Speaker of House

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Governor

Passed by Senate June 24, 2007

Filed in Office of Secretary of State:

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President of Senate

.....M.,....., 2007

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Secretary of State