

Senate Bill 949

Sponsored by Senators MONNES ANDERSON, MONROE, Representatives MERKLEY, MINNIS; Senators AVAKIAN, WESTLUND, Representative DINGFELDER (at the request of Oregon Science and Technology Partnership)

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 **as introduced**.

Authorizes issuance of lottery bonds for grants to fund feasibility studies regarding development necessary to construct cellulosic ethanol demonstration plants. Appropriates moneys from Cellulosic Ethanol Demonstration Plant Project Fund to State Department of Energy to provide grants to certain entities to undertake feasibility studies regarding development necessary to construct cellulosic ethanol demonstration plants.

Sunset June 30, 2010.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1 Relating to renewable energy; appropriating money; and declaring an emergency.

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

3 **SECTION 1. (1) For the biennium beginning July 1, 2007, pursuant to ORS 286.560 to**
4 **286.580, the State Treasurer, at the request of the State Department of Energy, may issue**
5 **lottery bonds to provide financial and other assistance for which the Cellulosic Ethanol**
6 **Demonstration Plant Project Fund established in section 2 of this 2007 Act may be used.**

7 **(2) The use of lottery bond proceeds is authorized based on the following findings:**

8 **(a) Financial assistance and support is necessary to develop cellulosic ethanol as a viable**
9 **alternative to foreign oil.**

10 **(b) The production of cellulosic ethanol will promote new jobs in Oregon and revitalize**
11 **current jobs, such as logging and farming.**

12 **(c) Financial assistance and support is necessary to encourage entrepreneurs to build**
13 **cellulosic ethanol plants in Oregon.**

14 **(3) The aggregate principal amount of lottery bonds issued pursuant to this section may**
15 **not exceed \$2 million, plus an additional amount established by the State Treasurer to be**
16 **necessary to pay bond-related costs.**

17 **(4) The net proceeds of lottery bonds issued pursuant to this section must be deposited**
18 **in the Cellulosic Ethanol Demonstration Plant Project Fund established in section 2 of this**
19 **2007 Act.**

20 **(5) The net proceeds of lottery bond issued pursuant to this section may be used only for**
21 **the purposes for which moneys in the Cellulosic Ethanol Demonstration Plant Project Fund**
22 **may be used and for bond-related costs.**

23 **SECTION 2. (1) The Cellulosic Ethanol Demonstration Plant Project Fund is established**
24 **separate and distinct from the General Fund. Interest earned on the Cellulosic Ethanol**
25 **Demonstration Plant Project Fund shall be credited to the Cellulosic Ethanol Demonstration**
26 **Plant Project Fund.**

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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 (2) The fund consists of lottery bond proceeds deposited in the fund, moneys appropriated
2 to the fund by the Legislative Assembly and moneys received from repayment of loans made
3 from the fund.

4 (3) The moneys in the Cellulosic Ethanol Demonstration Plant Project Fund are contin-
5 uously appropriated to the State Department of Energy for the purposes of providing grants
6 and loans to any private company headquartered in Oregon so that a company may under-
7 take a feasibility study regarding development necessary to construct a cellulosic ethanol
8 demonstration plant.

9 (4) Eligibility for assistance from the fund shall be subject to the availability of moneys
10 in the fund and limited to those entities applying for loans from the fund pursuant to section
11 3 of this 2007 Act.

12 **SECTION 3.** (1) The State Department of Energy shall establish a program for the fund-
13 ing of feasibility studies of developing cellulosic ethanol demonstration plants by the
14 Cellulosic Ethanol Demonstration Plant Project Fund established in section 2 of this 2007
15 Act.

16 (2) Applications to obtain a loan to fund a feasibility study shall be made in writing and
17 on a form established by the department. Applications submitted to the department shall:

18 (a) Provide information concerning the siting and construction of the cellulosic ethanol
19 demonstration plant;

20 (b) Include a description of the proposed cellulosic ethanol production technology;

21 (c) Specify the local community and local government support for the proposed plant; and

22 (d) Meet minimum project standards established by the department.

23 (3) Private companies headquartered in Oregon are eligible to apply for loans from the
24 Cellulosic Ethanol Demonstration Plant Project Fund under the program.

25 (4) An entity applying for a loan from the Cellulosic Ethanol Demonstration Plant Project
26 Fund under the program shall pay an application fee in an amount determined by the de-
27 partment by rule.

28 (5) The department shall establish loan repayment terms and conditions. However, the
29 Director of the State Department of Energy may release an entity borrowing money under
30 the program from any loan obligation if the project for which the feasibility study is con-
31 ducted is not developed.

32 **SECTION 4.** Sections 1 to 3 of this 2007 Act are repealed on June 30, 2010.

33 **SECTION 5.** This 2007 Act being necessary for the immediate preservation of the public
34 peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect
35 on its passage.

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